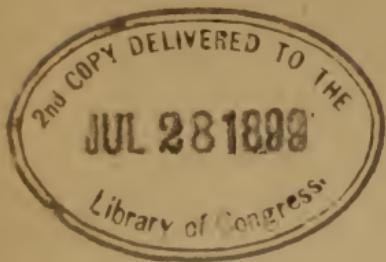




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THE  
STRENGTH AND WEAKNESS  
OF  
SOCIALISM

BY  
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## PREFACE.

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DR. RUDOLF MEYER, a conservative German author, published a work some twenty years ago entitled "The Struggle of the Fourth Estate for Emancipation." By the "Fourth Estate" he of course meant the wage-earning classes. At that time Dr. Meyer entertained the hope that the acceptance of a program of social reform would be sufficient to save Germany from social democracy. Germany, however, was not ready to go so far as Dr. Meyer recommended, and the growth of social democracy was in no wise impeded. Germany has done much to improve the conditions of the masses, but she has always moved so late that the masses have received the impression that the action was forced by fear, and did not proceed from a real, sincere desire to benefit the less fortunate portions of the community, especially the wage-earning population. Dr. Meyer has just published another book, entitled "Capitalism, *fin de siècle*." Dr. Meyer maintains that it is now too late for Germany to adopt the program of reform which he urged twenty

years ago; and he considers it essential that the public authorities should come to at least a temporary agreement with social democracy, and thus work together for the salvation of Germany from impending perils. He apprehends that Germany must make a choice between state socialism and social democracy, and he fears that social democracy may carry the day.

The United States has now the opportunity which Germany had twenty years ago. It is not by any means too late for us to escape the situation in which Germany finds herself. However it may be in Germany, the policy of social reform is still practicable among us; but we must always bear in mind the high ideals which socialism has placed before the masses of the people, and which they have absorbed. Timid, half-way measures will not stem the tide of socialism.

What are the prospects of this reform which can give us the benefits of peaceful and uninterrupted progress? It is not altogether easy — in fact, it is always difficult — to forecast the future. There is probably no country in which more violent, bitter, and even unprincipled extremes may be found. We have, on the one hand, the anarchists of the poor, who aim to arouse bitterness and hatred, and who shrink from no exercise of force, provided they think that thereby they can accomplish their

ends. With them, the torch and the dynamite bomb are questions of expediency.

We have, on the other hand, a class of men who advocate the claims of wealth in precisely the same spirit. Every proposal of reform is greeted by them with ridicule and misrepresentation; every advocate of changes, even in accordance with constitutional and legal means, is villified. These fanatics have precisely the same spirit which animates the anarchists. They would not hesitate to use force to maintain existing privileges, and they would rejoice to see anything like a socialistic reconstruction of society prevented, by torturing and putting to violent death the advocates of socialism. It is the old spirit which has ever greeted the reformer who has advocated changes in behalf of the masses with the cry, "Crucify him! crucify him!" Most fortunately, there is, between these two extreme factions, each of them apparently quite small, a large class of fair-minded, well-meaning men and women, who are the hope of the country. America has been called the land of the "almighty dollar," and it has been supposed to be dominated exclusively by a narrow mercantilism; yet one frequently meets, among the business leaders of the country, with a certain broad-mindedness which is as delightful as it is reassuring. Men of this class are men

who will favor mutual concessions and a conciliatory policy.

This book has been written in a conservative spirit. It cannot be understood unless the reader bears in mind that its standpoint is that of conservatism. The peaceful progress of society, with the conservation of the results of past historical development, is the author's desire. He will not, however, be surprised to have the charge of radicalism brought against him. We have among us a class of mammon worshippers, whose one test of conservatism, or radicalism, is the attitude which one takes with respect to accumulated wealth. Whatever tends to the preservation of the wealth of the wealthy is called conservatism, and whatever favors anything else, no matter what, they call socialism. A writer's whole nature may be that of a conservative; he may love the old ways; he may to some extent draw his social ideals from a past which he considers, with respect to its feeling about wealth, saner than the present age, and yet, because he would, by social action, endeavor to change certain tendencies, and to conserve the treasures of the past which he feels threatened by new and startling forces, he is still a radical in the eyes of those men whose one and sole test is money.

The socialist, as well as the non-socialist reader of this

book, must clearly understand that the socialism which is described in its pages is not that of any one school. Many a socialist will take up this book and find missing in it that which he considers essential. What the author tries to do, however, is to give what seems to him the true essence of socialism as an industrial system. He has studied carefully the writings of various socialists, and has stripped off from socialism, as frequently presented, those accessories which it seems to him are no part of it. He has given that presentation of socialism which seems to him to contain the greatest strength.

The author desires to express his gratitude to many persons who have most kindly given him assistance of one kind and another. Valuable suggestions and important material have been sent him from different countries, and personal friends have read the proofs. Particular acknowledgment must be made to the following: Prof. William A. Scott, the author's colleague in the University of Wisconsin; Mr. Charles Zeublin, of the University of Chicago; Prof. John R. Commons, of the University of Indiana; Sidney Webb, Esq., and Edward R. Pease, Esq., of the Fabian Society; H. W. Lee, Esq., secretary of the Social Democratic Federation of England; Geoffrey Drage, Esq., of London, secretary of the Royal Commission on Labor; Dr. Heinrich Braun, of

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The author must make special mention of two friends who have given him assistance, unusual both with respect to quantity and quality. These are Prof. David Kinley, of the University of Illinois, who has read the manuscript and proofs with great care, and made many helpful suggestions, and Mrs. Helen Frances Bates, a graduate student of the University of Wisconsin, who has rendered him efficient assistance, particularly in the preparation of the bibliography.

UNIVERSITY OF WISCONSIN, MADISON, WIS.

April 25, 1894.

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## PART I.

### *THE NATURE OF SOCIALISM.*



# SOCIALISM AND SOCIAL REFORM.

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## CHAPTER I.

### **SOCIALISM IN A MORE GENERAL SENSE DISTINGUISHED FROM SOCIALISM IN A NARROWER SENSE.**

THE word socialism, which has come into use in the present century, has already acquired a variety of meanings. It seems necessary to any clear thought that we should, first of all, distinguish between socialism in a large but not altogether vague sense, and socialism in a more technical and more precise sense. Socialism in this large sense frequently has reference, in a general way, to the views and aspirations of those who hold that the individual should subordinate himself to society, maintaining that thus alone can the welfare of all be secured. Socialism in this more general sense implies the rejection of the doctrine of selfishness as a sufficient social force and the affirmation of altruism as a principle of social action. Socialism, in this broad sense of the word, means that society is not a mere aggregation of individuals, but a living, growing organism, the laws of which are something different from the laws of individual action. Aristotle was a socialist in this sense of the word, which, it may be remarked, is a true sense of the word; for he maintained that you never could arrive at the whole by a mere addition of the units comprising it, and consequently that the welfare of society could not be secured through exclusive

attention to individual claims. The prosperity of the whole, however, he maintained, implied the prosperity of all the individuals which it includes. In other words, this sage of antiquity thought we must proceed in our treatment of social questions from the standpoint of society, and not from that of the individual.

"The state is, by nature," says Aristotle,<sup>1</sup> "clearly prior to the individual and to the family, since the whole is of necessity prior to the part. . . . The proof that the state is a creation of nature, and prior to the individual, is that the individual, when isolated, is not self-sufficing ; and therefore he is like a part in relation to the whole. But he who is unable to live in society, or who has no need because he is sufficient for himself, must be either a beast or a god."

The great thinkers in economics and politics in all ages have been socialists in this general sense of the word, and opposed to them has been a small sect of individualists, who reject the conception of the state as an organism, and believe that the standpoint of the individual is sufficient, both in science and in practice. Two definitions of socialism, as here understood, may be helpful to the reader. The first is taken from an address on Socialism by Dr. Westcott, the present bishop of Durham. It is used to describe, as the author says, not merely a theory of economics, but a theory of life, and is given in the following words : —

"Individualism regards humanity as made up of disconnected or warring atoms. Socialism regards it as an organic whole. . . . The aim of socialism is the fulfilment of service ; the aim of individualism is the attainment of some personal advantage — riches, place, or fame. Socialism seeks such an organization of life as shall secure for every one the most complete development of his

<sup>1</sup> Aristotle's *Politics*, Book I., 2, §§ 12-14.

powers ; individualism seeks primarily the satisfaction of the particular wants of each one, in the hope that the pursuit of private interests will, in the end, secure public welfare.”

And further on in the same address Dr. Westcott asserts that “the goal of human endeavor is the common well-being of all alike, sought through conditions which provide for the fullest culture of each man as opposed to the special development of a race or a class, by the sacrifice of others in slavery or serfdom, or necessary subjection ;” and he speaks of this as the central idea of socialism. He maintains, however, that “it does not follow that the end can be reached only in one way.”

Socialism is then not restricted necessarily to state activity, but it becomes equivalent to affectionate regard for others in society, and the systematic attempt to improve others. It is used as the opposite of individualism, which then means a selfish and inconsiderate exaltation of the individual.

The second definition of socialism to which reference is made, is that given by Prof. Adolph Wagner, the celebrated professor of political economy in the University of Berlin. Defining socialism in a more general sense as the opposite of individualism, he says :—

“ It is, therefore, a principle which regulates social and economic life according to the needs of society as a whole, or which makes provision for the satisfaction of those needs, whereas, individualism is a principle which, in social and economic life, places the individual in the foreground, takes the individual as a starting-point, and makes his interests and wishes the rule for society.”

The use of the word socialism in the large sense just described is a legitimate one, for it serves to designate a class of thinkers, and to distinguish them from those

who hold very different views. Socialism and individualism are two different philosophical systems. The only objection to the use of the word socialism to designate that social philosophy which is contrasted with individualism in the broadest sense, is that socialism has a narrower meaning, to be described presently, which has become prevalent. Thus, if a writer declares, "I am a socialist!" he is more likely to be classed with Karl Marx than with Aristotle.

The word socialism has, however, other general uses which seem to be altogether wanting in any scientific precision of meaning, and which should therefore be rejected. It is employed to designate in such a vague manner a tendency or attitude of mind, that it lacks all metes and bounds. It has, for example, even been used to designate the thoughts and efforts of those who concern themselves with social affairs. Manifestly, in this sense, it would include a large amount of the individualistic as well as the socialistic philosophy. One writer<sup>1</sup> has called socialism the economic philosophy of the suffering classes. Doubtless he himself would not claim for this statement the character of a scientific definition; for socialism is not the only economic philosophy which has been or may be embraced by those spoken of as the suffering classes. We might likewise call anarchy, or voluntary co-operation, or Mr. Henry George's single tax, the economic philosophy of the suffering classes. The radical improvement of the lot of the propertyless majority has been declared to be the material content of socialism. In addition to the objections already urged to the previous statement, it may be said that it is not necessary to view socialism as a class problem, although it must be

<sup>1</sup> Dr. von Scheel.

admitted that it is so viewed by most social democrats in Germany. Socialism may be advocated by an artist from the artistic standpoint, or by a theologian from a religious standpoint. The true aim of the best socialism, it seems to the writer, is that general social amelioration which proposes to sacrifice no class, but to improve and elevate all classes. It does not necessarily mean the abolition of classes, although under any system of socialism other class distinctions would prevail than those which now obtain.

While each honest and careful definition of socialism tells us something, there is a whole class of definitions which must be simply rejected as dishonest.

For example, when one says that socialism is that system which swallows up individual liberty, subordinating entirely the individual to society, it is plain that the so-called definition is no definition, but a condemnation of that which is to be defined. Then there are certain popular and inaccurate ideas which need not occupy our time. There are those who call any general social upheaval and widespread turning things upside down, socialism, although this upheaval manifestly may be as well anti-socialistic as socialistic. Then there are those—and we meet them very commonly—who call whatever they regard as an exaggeration of the social principle, socialism, especially if it takes the form of state activity. Thus, whether the ordinary man calls the government ownership and management of the telegraph socialism or not, will depend upon whether he approves it or not. That kind of governmental activity which is not liked by any particular person is apt to be called by that person socialism. Manifestly we can make no progress in scientific discussion with such vague and unscientific ideas.

The word socialism, as generally employed, has a far narrower meaning than socialism in the broad sense already described. It calls to mind an industrial society which, in its main features, is sufficiently clear and precise. It is not a theory which embraces all departments of social activity, but is confined to the economic department,<sup>1</sup> dealing with others simply as connected with this and influenced by it. This socialism is frequently designated as "scientific socialism." It is with this socialism, which presents a theory of industrial society based upon radical social reconstruction, that the present work deals.

<sup>1</sup> Cf. Prof. Anton Menger's work, *Das Recht auf den vollen Arbeitsertrag*, p. 2.

## CHAPTER II.

**THE ELEMENTS OF SOCIALISM.**

SOCIALISM, when analyzed, is found to embrace four main elements. The first of these is the common ownership of the material instruments of production. It is not stated precisely how this common ownership is to be brought about, or exactly what form it is to take. Opinions may and do differ about the practical steps which are to be taken to secure the desired end, and also about the nature of the collective organization in which this ownership is to be vested. But no one can be called a socialist in the modern technical sense who does not accept the doctrine of the common ownership of the material instruments of production. The collectivity, that is, society as a whole, is to take the place of individuals and private associations of individuals as owners of land and capital, in order that the advantages of ownership may accrue to the whole, and not merely to a part of the whole. The private receipt of rent and interest in the economic sense then ceases, for rent and interest are the remuneration of ownership.

It is not difficult to understand what this postulate of socialism, namely, the socialization of the material instruments of production, means. It is simply necessary to exercise one's imagination, and to picture to one's self the extension of that which already exists in a comparatively small way. The post-office in the United States

is already socialized. It is owned by the people as a whole, and all share in many ways in the advantages of this common ownership. The telegraph in most countries is a part of the post-office, and it is owned by the collectivity. Railways in many countries are public, not private property. Forests are to a considerable extent collective property. All these kinds of wealth are instruments of production; and if that process which has made of these instruments collective property is continued until substantially all the land and all the capital have been socialized, we shall have realized the first demand of socialism.

It is said *substantially* all land and capital, because it is held that it is not necessary that the common ownership should be absolutely all-inclusive. It is a weakness of the extremists to insist on all — inclusiveness in common ownership, which much damages their cause. What is necessary is that the collective ownership should become dominant in such manner as to control all other ownership and confine it within narrow limits. All the great instruments of production, like telegraphs, telephones, railways, forests, arable lands, and large manufacturing plants, must become collective property; but socialism does not imply that it is necessary to restrict individuals in the acquisition of the instruments of production on a small scale, — for example, a wheelbarrow or a cart. Socialism, then, presented in the strongest form, does not proceed so much negatively as constructively. Society is to acquire the instruments of production; but individuals, for the most part, are not to be restrained, except indirectly, by positive social action.

Emphasis has been laid by repetition upon the word *material* as qualification of the instruments of produc-

tion. This means that man is excluded. For the socialist claims that under socialism man will, for the first time, become free. Man has, in times past, been owned as a slave, and the socialists claim that the wage-earner is even now a wage-slave, and their purpose is to free man.

Attention must be called, also, to the statement that it is the material *instruments of production* which are to be owned in common, and not all wealth. That wealth which is not designed for further production can still remain private property under socialism. This means wealth used for enjoyment rather than for production; for example, the furniture of one's house, family plate, heirlooms of all sorts, pictures, books, clothing, and many other forms of wealth which can easily be enumerated. The ground for the distinction becomes obvious enough on reflection. The design of socialism is the abolition of the private receipt of rent and interest. It desires to abolish private property only in so far as it enables one to gather an income through the toil of others without personal exertions; for that the socialists call levying a tribute upon the labor of others.

The second element in socialism is the common management of production. Not only are the material instruments of production to be owned in common, but they are to be managed by the collectivity, in order that to the people as a whole may accrue all the benefits of management; that is, all those gains of enterprise called profits, as distinguished from interest, and in order that the management may be conducted in accordance with the public need, rather than in accordance with the advantage of private captains of industry. Production is to be carried on to satisfy our wants for material

things, and not for the sake of private profits. The distinction is undoubtedly a marked one. Production now ceases when those who manage it are unable to derive profits therefrom. This is a necessity under modern or capitalistic production; but under a socialistic *régime*, production is not stopped so long as wants clamor for satisfaction, and until all wants are satisfied there can, of course, be no real over-production. The distinction between common ownership and common management, that is, management by representatives of the people responsible to the people, is made clear in a moment by one or two simple illustrations. Railways have been sometimes owned by the people in their collective capacity, and operated by a private company. There are those, indeed, who advocate common ownership of all the railways in the United States, with private operation. Land which is owned by the collectivity is frequently cultivated by private individuals. What socialism wants, then, is not merely common ownership, but also a common or collective management.

This common management of production means that the collectivity must furnish work for all who desire it. As the socialistic state assumes the charge of production, leaving only very minor functions to individuals, it rests upon it, of course, to make the industrial society all-inclusive. Indeed, the possibility of socialism once granted, there can be no difficulty about this. Every one is naturally assigned to some function which will make him socially useful; and the problem of the unemployed is inconceivable, as production is no longer conducted for exchange, but for consumption, and the greater the production the more ample will be the means for the satisfaction of all wants. Should it be possible at any moment

to produce more than men really desire to consume, it would merely be necessary to shorten the length of the working day. It would not only be true, however, that all could find work, but all would have to work, as, with common ownership, the possibility of income without personal exertion would be cut off. How many could find employment in private service, it is not easy to say. Under socialism, we should expect a social organization of medical attendance and the supply of medicines, which would be simply carrying further tendencies already at work ; and yet some might prefer to employ private physicians. Should the members of the socialistic society be willing to give part of their income in return for private medical services, there is no reason why they should be hindered in so doing. Similarly, religious services might be maintained by private contributions, and in the churches there could be large numbers of preachers outside of public employment. Possibly, also, room could be found for remunerative employment, of a private character, of a great many persons in the aggregate, who would concern themselves with the smaller branches of production. Yet, if socialism works as well as it is claimed it will, there would naturally be a preference, altogether apart from any compulsion, for public employment. We see that great public hospitals, at the present time, encroach somewhat on the individual practice of physicians, and that public schools, in many places, drive out private schools, although the law interposes no obstacles in the way of their success.

The third element is the distribution of income by the common authority ; that is, the income of society, or the national dividend, as it is frequently called : and it is that part of the wealth produced by society which may

be used for enjoyment, after the material instruments of production have been maintained and suitably improved and extended. The common ownership and management of the material instruments of production necessarily results in ownership of the national dividend by the collectivity, in the first instance, just as now those who own and manage industry have the ownership of the products of industry, and from these products satisfy the claims of those who have participated in their production. It remains for the collectivity to distribute all the wealth produced for consumption among all the members of society.

As there is provision of work for all in the public service, so there must be provided an income for all. But this provision of income for all reaches even further than the ranks of the toilers. There must always be in society some who are physically or mentally incapable of toil, and socialism contemplates the provision of an income for these also. The idea of socialism in this respect is that of mutual insurance. We are all insured from our birth against contingencies incapacitating us from earning a livelihood; and provision is made for the satisfaction of our wants, even if we cannot render a personal return.

We are now brought face to face with what we may, perhaps, call the chief purpose of socialism; namely, distributive justice. While socialists have desired to bring about a better industrial organization to increase wealth, and while they even lay emphasis upon the vast additions to the national dividend which, according to them, socialism would bring, it can scarcely be too much to say that almost, if not quite invariably, considerations concerning justice in distribution have given them their initiative.

Yet what is justice in distribution ? While all agree that the present distribution is unjust, wide differences of opinion exist as to what is, after all, that justice in distribution which is to be the aim of the new society. A learned jurist, and at the same time an avowed socialist, claims that the socialistic schemes of distribution may be divided into two classes ; namely, distribution which aims to satisfy needs, and distribution which aims to accord to each one the full product of his toil. This would hardly seem to be sufficient to cover all socialistic plans of distribution, and perhaps it is better to approach the subject from a somewhat different standpoint. We can distinguish at least four schemes of distributive justice. One is the distribution which aims to secure absolute mechanical equality, that is, equality in quantity and kinds of goods. All must have food, clothing, shelter, education, and, in fact, all good things, so far as this is possible, in like quality and quantity. If distinctions in clothing are made for age and sex, this is the most which can be tolerated.<sup>1</sup> Emphasis is laid upon the equality to be carried out in all details — equality is the aim and end of this sort of distribution. A later idea of distributive justice is that which apportions reward to merit. It has been proposed that society should be organized in hierarchical form, and that in this hierarchically organized industrial society positions should be assigned according to capacity, the highest positions going to the greatest capacity ; and that reward should be in proportion to capacity. There could thus be room for quite as many gradations in

<sup>1</sup> This was the view of Babœuf. See the author's French and German Socialism, where the other views of distribution are also described.

society as at present, but their basis would be personal, and not inherited rank or property.<sup>1</sup> A still later idea of distributive justice is that which assigns the product in proportion to needs, recognizing the inequality of needs, while calling upon each one to render service in proportion to his strength of body and mind. Double strength, then, means double duty, but no greater claim on that account upon the national dividend; for the larger claim upon the national dividend must be based simply upon greater need.<sup>2</sup> The fourth idea of distributive justice, and that which seems now to prevail generally among the more active socialists, is equality of income; not a mechanical equality, but an equality in value.

Each one, according to this idea, is to receive an equal value as his income; but these values may be represented by goods and services the most diverse. There are those who claim that this last distribution accords both with the demand that distribution shall be according to needs, and that it should accord to each one the full product of his toil. For they hold that equal values will enable every one to satisfy all rational needs, and that the services of all who participate in production, according to their strength have substantially equal value. But whatever idea in regard to distributive justice is once adopted, society is to carry it out.

The fourth element in socialism is private property in the larger proportion of income. It thus becomes at once apparent that modern socialism does not propose to abolish private property. Quite the contrary. Socialism maintains that private property is necessary for personal freedom and the full development of our facul-

<sup>1</sup> This was the view of the St. Simonians.

<sup>2</sup> Louis Blanc's idea of distributive justice.

ties. The advantages of private property are claimed by the advocates of the existing social order as arguments for its maintenance; but socialism asserts that society, as at present constituted, is unable to secure to each one the private property which he requires. Socialism proposes to extend the institution of private property in such manner as to secure to each individual in society property in an annual income, which shall be, so far as practicable, sufficient to satisfy all rational wants, and to protect all from those attacks upon personal freedom which proceed from the dependence of man upon man. The instruments of production do not exist for their own sake, but for the sake of products for consumption, which again have as their destination man's needs. Now, while private property in the instruments of production is to be reduced to its lowest terms, it is to be extended and strengthened in the products for the sake of which the instruments exist.

Attention must be called to the expression, "the larger proportion of income." Income is derived from the use of property. Even at present the amount of property enjoyed in common is in the aggregate large. Public parks, public galleries, public schools, public highways, are illustrations which readily occur to one. All these institutions yield an income enjoyed freely by all in proportion to needs and capacities; for income as just stated means use or enjoyment. We have at the present time in the United States, in these things, something which may be called true communism. Naturally, under socialism, as the thoughts of men would be more directed to the common welfare, and the inclination of men to enjoy things in common would be greatly strengthened, there would be a very large increase in the number of things

enjoyed in common, and thus yielding a common income. Public libraries would unquestionably be greatly increased; and while no sane socialist would propose to prohibit private ownership of libraries, a great increase in public libraries might perhaps diminish the desire to have private libraries. Possibly the same would be true with regard to galleries of art and museums; and it could not fail to be true with respect to grounds for pleasure and recreation. There would be thus a use of more things than at present in common; and thus there would be an absolute increase, and probably also a relative increase, in the common income, and private income would be correspondingly diminished. There is a tendency, even at the present time, to increase very considerably the number and importance of those things that are enjoyed in common; and socialism would simply carry further this tendency and accelerate it. Nevertheless, the greater proportion of the national dividend would, even as at present, still be private income.

## CHAPTER III.

## DEFINITIONS OF SOCIALISM.

IT is well to give especial attention to definitions in any subject that belongs to moral or political philosophy, because definitions give us the central ideas of their authors. A few significant definitions of socialism, in the narrow sense with which this work is concerned, will be given in the present chapter, in order, on the one hand, that the reader may contrast these definitions with the analysis of socialism given in the preceding chapter; and on the other, that he may, by comparison, see the points most significant in the program of socialism as they present themselves to the minds of different persons.

First of all, the results of the analysis of socialism may be brought together in a definition which would read somewhat as follows: *Socialism is that contemplated system of industrial society which proposes the abolition of private property in the great material instruments of production, and the substitution therefor of collective property; and advocates the collective management of production, together with the distribution of social income by society, and private property in the larger proportion of this social income.*

Two of the most noteworthy writers on socialism who are not themselves socialists are Dr. Schäffle, whose works, "The Quintessence of Socialism" and "The Im-

possibility of Social Democracy," have attracted so much attention, and Professor Adolph Wagner, who has so successfully attempted the utilization of the results of socialistic thought, without the acceptance of anything like its entire program. Both these writers have given definitions of socialism which well deserve attention. That of Dr. Schäffle is given in a description of the real aim of socialism, and reads as follows:—

"To replace the system of private capital (that is, the speculative method of production, regulated on behalf of society only by the free competition of private enterprises), by a system of collective capital, that is by a method of production which would introduce a unified (social or 'collective') organization of national income on the basis of collective or common ownership of the means of production by all the members of the society. This collective method of production would remove the present competitive system, by placing under official administration such departments of production as can be managed collectively (socially or co-operatively), as well as the distribution among all of the common products of all, according to the amount and social utility of the productive labor of each."

The contrast carried through this definition between socialism and the present social order should be particularly noticed. The definition is complicated, but when it is analyzed it will be found to contain the elements described in the preceding chapter. Perhaps it is defective in the statement that socialism proposes to place under official administration such departments of production as can be managed collectively, without stating directly that socialism maintains the possibility of a collective management substantially of all production. The definition may also be considered faulty because it carries with it one particular idea of distributive justice; namely, distribution according to services, and, as we

have already seen, this is not the only idea of distributive justice known to socialism.

Professor Wagner gives the following definition of socialism in the narrower or more special sense:—

“Extreme socialism, or the modern scientific, economic socialism, is a system of economic legal order opposed to the present order. Socialism demands that the material means of production, that is, land and capital, should not be, as at present, mostly the private property of single private members of the social body, but should be the collective property of society itself; that, consequently, private undertakings designed to secure profit should not stand on one side, and wage-earners, paid according to the conditions of the labor-contract, on the other, these various undertakings and wage-earners competing with one another; that production should not be conducted by individual capitalistic managers according to their individual estimate of demand, which means, on the whole, an unregulated production dependent upon the course of speculation and the influences of chance, and that the distribution of the product should take place according to the accidents of the law of supply and demand. Socialism requires, on the contrary, that production should take place according to plans based upon the carefully ascertained demand of the consumers, and that it should be duly regulated by public authority; that it should be carried on in a co-operative manner, or in state and municipal institutions, etc., and that the product should be divided among the producers in a juster manner than at present, when the distribution is effected by means of the law of demand and supply.”

This definition adds something to our previously ascertained ideas of socialism. The first words, “extreme socialism, or modern, scientific economic socialism,” are worthy of note. The socialism popularly agitated is pronounced extreme, and is opposed by implication to a more conservative socialism; namely, socialism in the larger, but, after all, truer sense. The second point to

which attention is called by this definition, is the scientific character of even this extreme socialism. Modern socialism is by implication contrasted with the more or less fantastic schemes of earlier writers; and it is frankly admitted that socialism, even in the special sense, has been placed upon a scientific basis by thinkers like Rodbertus-Jagetzow, Friedrich Engels, and Karl Marx. The third noteworthy point in the definition under consideration is that which describes socialism as a legal order. The problems involved are largely problems of law. Although it may be going too far to declare that socialism is chiefly, if not exclusively, a question for the jurist,<sup>1</sup> it is undoubtedly true that, like other economic questions, it has not been adequately treated on the side of law. This definition, like the preceding one, carries through it a contrast between socialism and the present industrial order, and brings out some of the weaker points of the latter. The unsystematic, irregular, hap-hazard character of present production is placed over against the social regulation of social production. Under socialism it is proposed, according to this definition, carefully to ascertain the quantities of things of all kinds needed by the members of the social organism, and to produce them regularly in the most scientific manner, as a result of which, it is held, irregularities in production, crises, and industrial stagnation can be avoided. Social control thus replaces chance. It is not stated exactly how products are to be distributed, but it is merely said that the distribution aims to approximate absolute justice more nearly than the present system.

<sup>1</sup> This is claimed by Prof. Anton Menger in his work, "Das Recht auf den vollen Arbeitsertrag."

We now pass over to definitions given by avowed socialists, and it is worth while to devote some attention to several of these. Among those who belong to the socialists there is, perhaps, no one more conservative than Mr. Thomas Kirkup, in whose book, "An Inquiry Into Socialism," the following statement is found: —

"The essence of socialism is this: it proposes that industry be carried on by associated laborers jointly owning the means of production (land and capital). Whereas industry is at present conducted by private and competing capitalists served by wage labor, it must in the future be carried on by associated labor, with a collective capital, and with a view to an equitable system of distribution" (pp. 11 and 12).

Emphasis is laid on the ownership of the means of production by the collective workers, and Mr. Kirkup elsewhere expressly states that it is a principle which may be partially realized, even on a small scale. While a general system is the aim of socialism, he would not refuse the name of socialism to a co-operative society of workers owning the means of production and carrying on an enterprise on their own account, even under present conditions.

Mr. Bellamy, the founder of the school of socialism called nationalism, declares that "industrial self-government is a very convenient and accurate definition of nationalism." The central thought in socialism, according to Mr. Bellamy, would seem to be democracy in industry. At the present time, while we have democracy in politics, we have in industry a system to which, for the most part, we may properly apply the term despotism. Industry is controlled by the capitalist, and the worker must submit to his commands or quit his service, just as the alternative of obedience to the laws of the Czar is emigration.

The despotic principle in industry, while zealously maintained as desirable by many, is held by socialists to be pernicious; and with Mr. Bellamy they generally declare that political democracy cannot be permanently maintained, unless it is based on economic democracy.

The Nationalists, in their Declaration of Principles, adopted early in their history, did not attempt any formal definition of nationalism; but declared that they wished to substitute a system based on the principle of association for "a system founded on the brute principle of competition."

Perhaps no society of socialists includes in its membership a larger number of highly educated men than the Fabian Society of England. One of its members, Mr. William Clarke, defines a socialist as "one who believes that the necessary instruments of production should be held and organized by the community, instead of by individuals, or groups of individuals, within or outside of the community."<sup>1</sup>

Another Fabian, Mr. Graham Wallas, implies a definition of socialism in his statement that "Socialists work for the owning of the means of production by the community and the means of consumption by individuals."<sup>2</sup>

This society issues a program, in which it is stated that, as it consists of socialists, it aims "at the reorganization of society by the emancipation of land and industrial capital from individual and class ownership, and the vesting of them in the community for the general benefit." It is added that "the society works for the transfer to the community of the administration of such

<sup>1</sup> *Political Science Quarterly*, December, 1888, article "Socialism in English Politics."

<sup>2</sup> *Fabian Essays*, p. 133.

industrial capital as can conveniently be managed socially." Elsewhere in the writings of the Fabians it is plainly stated that practically *all* industrial capital can conveniently be managed socially.

The Social Democratic Federation of England, a body pursuing, perhaps, methods more popular than those of the Fabian Society, and resembling more closely the social democracy of Germany, states that its object is "The socialization of the means of production, distribution, and exchange, to be controlled by a democratic state in the interests of the entire community, and the complete emancipation of labor from the domination of capitalism and landlordism, with the establishment of social and economic equality between the sexes." A new feature of this statement—which carries with it a definition of socialism—is that it brings out the demand for social and economic equality between the sexes; a demand made by practically all socialistic societies.

A French socialist by the name of Lafargue, a son-in-law of Karl Marx, gives a definition which brings out clearly the thought of the latter, that socialism comes as a result of a natural evolution, and not as the result of man's determination to replace the present social order by a better. He says: "Socialism is not the system of any reformer whatever; it is the doctrine of those who believe that the existing system is on the eve of a fatal economic evolution which will establish collective ownership in the hands of organizations of workers, in place of the individual ownership of capital. Socialism is of the character, therefore, of an historical discovery."<sup>1</sup>

<sup>1</sup> This definition was given in the *New Nation* of March 5, 1892. It appeared originally in the French paper *Le Figaro*, which had offered a prize of one hundred francs for the best definition of socialism. This was one of the six hundred competing definitions.

The claim may, perhaps, be made for the social democratic party of Germany by its friends, that it has developed beyond the stage of definitions. It issues, however, a platform in which is traced the evolution which it is maintained will inevitably issue in socialism, by which is meant social ownership of the means of production, special mention being made of the soil, quarries, mines, raw material, tools, machines, and the means of transportation; and it is stated that production must be carried on by and for society. The doctrine is also brought out in the program that socialism implies of necessity a class struggle, and that the emancipation of the working-class must be achieved by the wage-earners, in opposition to all other classes.

When one understands what socialism means, it cannot be difficult to define the adjective socialistic, which at present is generally used in such an altogether vague and indefinite manner. That line of policy is properly designated "socialistic" which tends to bring about socialism. Manifestly, then, not all government activity can be called socialistic. If the purpose or the spirit of the activity in question is to render the collectivity dominant in the economic sphere, then it must be designated as socialistic; otherwise, not. Those have studied socialism to little purpose who imagine that the socialist approves of all activity of government whatsoever, and that he is ready to indorse any plan which will enlarge the functions of government. As a matter of fact, it is probable that socialists disapprove of nine projects out of ten calculated to enlarge the sphere of government, which are brought forward, nevertheless, by some party or faction. They would disapprove of much of this legislation, because they think it not likely to accom-

plish the end which its advocates have in view; and a great deal of it receives their condemnation because it reveals a directly anti-socialistic spirit. Much legislation is designed to foster and build up private industry. Naturally, all this is rejected by socialism. Subsidies and grants to private enterprise are anti-socialistic, because their purpose is to bolster up that which socialism disapproves. Bonuses given for the establishment of manufacturing plants are anti-socialistic. It is said that the financial disturbances in the Argentine Republic a few years ago could be traced, in part at least, to government activity. It was stated by a United States consul that "Instead of limiting the government to the doing of the work for which all governments are instituted among men, it is notorious that the late government authorities made use of its credit to promote enterprises which should have been left to individual enterprise; to assist particular schemes which should have remained in the hands of private parties; to float free banks all over the country based on a paper capital, and thus flood the avenues of trade with depreciated banknotes; to loan money or issue cedulas on bond and mortgage." A governmental activity of this sort has been condemned as "socialistic;" but it is nearly all directly contrary to the spirit of socialism. Excessive grants of pensions have also been connected by writers and speakers with the spirit of socialism, whereas, as a matter of fact, the socialists have been strongly opposed to the whole pension system in this country.

There is a governmental activity of a different sort, which is regarded by some as socialistic and by others as anti-socialistic. Whether it is the one or the other must depend on the view which is taken of its probable out-

come. Public education is advocated by many because it is thought that it tends to prepare men better for the existing society, and thus to defend society against revolutionary proposals. If one is to take such a view, then one would say that this governmental activity is anti-socialistic. If, however, one takes the view that popular education is designed to awaken a general discontent, which must lead to socialism, or that its purpose is to prepare men for socialism, then one must hold that it is socialistic. It is much to be desired that a more careful use of the word socialistic should take the place of its present loose use.

## CHAPTER IV.

## THE SOCIALISTIC STATE.

WE cannot understand socialism unless we give careful attention to the attitude which socialists take with respect to the state. It is in respect to this attitude that socialists differ among themselves, perhaps as widely as in regard to any doctrine.

We can conceive of a socialism which would imply simply the present state, enlarged in such a manner that it would include within its functions the production and distribution of wealth. It might be said, however, in general, that no active socialist would approve of this kind of socialism, because socialists do not view the present state altogether with favor. Some socialists desire to change the existing state in minor matters, while others wish to alter it radically, and are inclined to oppose anything likely to strengthen it. The German social democrats take the latter attitude with respect to the state. They, indeed, go so far as to say that they desire the abolition of the state. But it must be borne in mind that they use the word state, as they do "capital," and many other terms, in a technical sense peculiar to themselves. When they say that they desire to abolish the state, they have in mind the state which stands for a class, and which promotes the interests of that class by repressive measures designed to keep down the other classes while they are exploited.

The German social democrats are not only socialists,

they are also democrats, and they live in a state which is anything but democratic. They fear the present state, and they look with little favor, or with positive opposition, upon plans to extend its economic functions. This is what they mean by their opposition to state socialism. State socialism means to correct the wrongs and advance the interests of the masses by economic measures, but does not regard it as necessary to change radically the political constitution of the state. The social democrats of Germany, at their convention in 1892, consequently felt called upon to denounce state socialism as conservative, while declaring that social democracy was a revolutionary force. Their opposition to the state is like their opposition to state socialism. They define the state as "an organized power for the maintenance of the actually existing social relations of property and class domination." The socialistic state to which they look forward — one which will recognize no class interests, but will promote the interests of all equally — is held by them to be something so different that it cannot be properly called a state. Their talk, then, about the abolition of the state implies a doctrine not only with respect to future social organization, but also with respect to the existing state.

The English Fabians and the American socialists do not talk about the abolition of the state; and when a socialist in England or the United States indulges in such talk, it may safely be taken for granted that he stands under foreign, particularly German, influence. This is natural enough, because the political constitution of the state in each of these countries is more democratic, and can be more readily made to serve the interests of the masses without radical political changes.

All active agitators of socialism want a democratic state, because they wish that control of the collectivity over the economic life should be exercised in behalf of the masses. They are all not merely socialists, but democrats, although they do not find it everywhere equally necessary to lay emphasis upon their democracy. Nevertheless, we find all socialists advocating political changes; and it may be said that the country whose political institutions they view with most favor is Switzerland. We may mention two institutions found in Switzerland which meet with almost, if not quite, universal approval; namely, the referendum, compelling, under certain circumstances, the reference of laws to the people for acceptance or rejection; and the initiative, giving to a prescribed number of people the right to propose laws, which must be submitted to the people as a whole for acceptance or rejection. Proportional representation is a third political reform which meets with general favor on the part of socialists. As is well known, this proposes the election of legislators on a general ticket, with such arrangements that parties and factions would have a representation in proportion to the number of votes which they cast. One-tenth of the people could thus, by cumulating their votes, have one representative. The reason why the socialists favor these measures is because they tend to keep government in the hands of the people.

It is for the same reason that all socialists are working for the decentralization of government. They look upon the present state as too highly centralized. They wish to transfer functions from central governments to local political units, in order that the business of the people may be near the people. It is so far from being the

truth that they favor centralization, that most of them go to what would ordinarily be called extreme lengths in opposition to centralization, and in advocacy of measures which may build up the local political unit. Local self-government, even of an extreme form, is a watchword among them.

The following two quotations from the Fabian socialists are typical, and indicate a general attitude of socialists in all countries :—

“ The division of the country into clearly defined areas, each with its elected authority, is essential to any effective scheme of organization. It is one of the signs of the coming age that, in perfect unconsciousness of the nature of his act, Mr. Ritchie has established the commune. He has divided England into districts ruled by county councils, and has thus created the machinery without which socialism was impracticable.”<sup>1</sup>

“ At present the state machine has practically broken down under the strain of spreading democracy, the work being mainly local, and the machinery mainly central. Without efficient local machinery the replacing of private enterprise by state enterprise is out of the question.”<sup>2</sup>

Still a third socialist speaks of the formation of a definite socialist party as identical with “a party pledged to the communalization of all the means of production and exchange.”

The function of a national government in socialism is held to be a federalization of municipalities, and the equalization of their natural advantages, possibly by a system of taxation to yield the funds for general expenses.

When one reflects upon the extreme position in favor

<sup>1</sup> Annie Besant, *Fabian Essays*, pp. 152-3.

<sup>2</sup> G. Bernard Shaw, *Fabian Essays*, p. 187.

of local self-government, taken very generally by socialists, one cannot help wondering whether adequate provision has been made for those businesses which must be organized on a national scale, like railways and telegraphs. The tendency of socialistic thought, however, it may be said, is one which lays increasing emphasis upon municipalization rather than nationalization of industry. The nationalists in the United States may, perhaps, be regarded as an exception. They speak about the nationalization of industry; and one of their leaders says that, "Nationalism has given American socialism a distinctively national cast, as socialism in France has assumed a distinctively communal cast." At the same time, the special activity of the nationalists has been devoted to measures designed to increase the powers of the local political unit; and the writer, just quoted, adds to his remarks about the national cast of American socialism the statement: "Nationalism has, to a very great extent, promoted the development of interest in enlarged municipal functions, as witness the nationalist agitation for a municipal lighting law in Massachusetts." It would seem, then, that the American socialists known as nationalists, after all, fall in with the general socialistic tendency to favor especially the upbuilding of local self-government.

Equally characteristic of the socialism of to-day is the general desire, on the part of socialists, to reduce the functions of government to a minimum. There is a general agreement among them that there should be as little government as is compatible with their main ends. They all favor whatever government or regulation is necessary to secure the socialistic production and distribution of wealth; and they will indorse all those measures which

are held to be necessary to guarantee opportunities to all, for the full development of all their faculties. But beyond this they will not go, and they continually seek to devise plans for the accomplishment of these ends with the least possible exercise of governmental authority.<sup>1</sup> It can safely be said that, outside the educational and economic spheres, they advocate a general *laissez faire*, or non-interference policy. The state church, for example, is not of necessity incompatible with socialism; but, as a matter of fact, socialist parties invariably oppose anything of the kind; and the German social democrats, in their platform, expressly declare religion to be a private matter. Socialists sometimes say what they desire is not a government of men by men, but an administration of things. Some of them hope that what they call administration may take the place altogether of government, by which they evidently mean repressive measures designed to control individuals.

Friedrich Engels, who with Karl Marx was the founder of what is called German scientific socialism, uses these words to bring out this thought: "As soon as there is no longer any social class to be oppressed; as soon as class domination and individual struggle for existence, caused by past anarchy in production, are removed with all their conflicts and excesses, there will be nothing more to repress which would require a special repressive power, that is to say, a state. The first act in which the state really appears as the representative of society

<sup>1</sup> The French socialist leader, M. Jules Guesde, says that the aims of Socialism have been correctly stated by John Stuart Mill in his autobiography in these words: "The social problem of the future we considered to be, how to unite the greatest individual liberty of action with a common ownership in the raw material of the globe, and an equal participation of all in the benefits of combined labor."

as a whole,—namely, the seizure of the means of production in the name of society,—is at the same time its last independent act as a state. Interference of the state in social relations gradually becomes superfluous in one department after another, and finally of itself ceases (goes to sleep). The place of government over persons is taken by administration of things and the management of productive processes.”<sup>1</sup>

Herr Bebel, in his work, “Woman and Socialism,” gives a partial enumeration of the public institutions which he holds will disappear with the introduction of socialism. He mentions ministers, parliaments, standing armies, police, courts, attorneys, taxation; the place of them all being taken by administrative colleges or boards, which are to surround themselves with the best arrangements for production and distribution, for the determination of necessary supplies, and for the introduction and application of the best improvements in art, in education, in the means of communication and transportation, and in the productive processes. He hopes that the former representatives of the state will take their places in the various callings, and help to increase the productive wealth and conveniences of society with their intelligence and their mental and physical powers. To be sure, this is connected with certain moral improvements which he trusts the introduction of socialism will bring with it; and it is not by any means true that all socialists share his optimism in regard to the immediate moral effects of socialism.<sup>2</sup>

<sup>1</sup> This statement, peculiar to the German Social Democracy, is taken from Engels’s “Die Entwicklung des Sozialismus von der Utopie zur Wissenschaft.”

<sup>2</sup> See “Die Frau und Sozialismus,” by August Bebel, pp. 312, 314.

There are different views with regard to the selection of those who are to conduct the socialistic state; and the modern socialist is cautious about speaking dogmatically on points of this kind, for he tells us that it is unscientific to attempt to give precise details in regard to future social organization. However, it is held that, whatever the arrangements, they must be thoroughly democratic. There is an inclination to favor the election of headmen, or selectmen, as they may be called,—using an American expression,—by popular vote of the workers. Mr. Bellamy, on the other hand, in his “Looking Backward,” describes a different socialistic state, in which the workers have no vote, but are directed by those elected by persons who have served their time in the industrial army.

## CHAPTER V.

### **SOME MISAPPREHENSIONS CONCERNING THE NATURE OF SOCIALISM.**

It will prove helpful, at least to those not accustomed to economic discussions, if brief attention is given to a few current opinions concerning socialism, which are based upon a failure to understand its true nature. One of these opinions most frequently encountered is that socialism proposes to divide up all property equally among all the members of society. This is an assumption upon which rests many a popular refutation of socialism. It is held that if all property should be divided up to-day, to-morrow the old inequalities would reappear. It is furthermore urged that if all wealth were equally divided, the share of one person would not be considerable. Familiar to all is the story of the banker Rothschild, who, when a poor man expressed a longing for communism, took a thaler from his pocket and giving it to the man, told him that was his share of the wealth of a Rothschild. What socialism really proposes is not the division of property, but, as we have already seen, the concentration of productive property, in fact, its complete unification. This is sufficiently apparent to any one who reflects at all upon the preceding chapters. Manifestly the re-appearance of the old inequalities would then be an impossibility, whatever else might happen. In this connection we must also

bear in mind that socialism goes down beneath surface phenomena to underlying causes, and that is forgotten by those who urge flimsy objections of the kind mentioned against socialism. They suppose that a division of wealth takes place, and then the production of wealth goes on as at the present time; whereas, nothing could be further from the thoughts of the socialists. Similarly, it is not a question of the wealth which actually exists, but of the wealth which the socialists propose to bring into existence. Socialism, then, does not propose a grand "divide."

A further misapprehension concerning the nature of socialism is that which traces it to the vaporings of wild and unpractical theorists. It is essential to a comprehension of the nature of socialism, to know that it is a system of industrial society which has found advocates among many gifted, learned, and very practical men. The leaders of socialism in the present century have generally been men of extraordinary capacity, placing them far above the ordinary man. One of the earliest English socialists, Robert Owen, was at one time so successful in cotton spinning that he was called "the prince of cotton spinners," and he amassed a large fortune. The three early leaders of the modern German social democracy are Karl Marx, Friedrich Engels, and Ferdinand Lassalle. Karl Marx is recognized by friend and foe as one of the most learned and gifted economic thinkers of the present century; Friedrich Engels is one with whom economic philosophy must deal, and it is said, besides, that he has been more than ordinarily successful in business; while the gifts of Ferdinand Lassalle attracted the attention of all with whom he came in contact, Wilhelm von Humboldt calling him "a

miraculous child," and Bismarck declaring in the imperial parliament that he was one of the most gifted and amiable men with whom he had ever associated. Bebel and Liebknecht, the political leaders of the German social democracy of to-day, whatever we may otherwise think of them, have talents and qualifications which enable them to hold their own with the leaders of the other great political parties.

Another prominent German social democrat, a manufacturer, has a fortune which, it is said, places him among the millionnaires of his country.

The English socialists to-day include men who were trained at the great English universities, and who have been successful in whatever they have undertaken. Among the extremists, we may even mention a man like William Morris, who was prominently spoken of for the post of poet laureate when it was made vacant by the death of Tennyson.

Nor can it be denied that those who are giving socialism its shape in Switzerland, France, the United States, and elsewhere, are men who must command our respect on account of their capacities of every sort. Whoever would understand what socialism means to-day, must bear in mind the unquestionable fact that it includes in its ranks men of practical sagacity, as well as native talent and learning.

It follows, quite naturally, from what has been said, that socialism is not a scheme of criminals for theft and robbery. It can, at the present day, scarcely be necessary to dwell on this. It is worth while, however, to call attention to the fact that socialism is not a scheme of social reconstruction which meets with favor on the part of criminals. It is a curious fact, but one well-

known by those who have given attention to crime, that the criminal classes are orthodox and conservative in their religious as well as social opinions. An exhaustive treatment of the reasons for this fact—which, naturally, conveys no reproach to orthodoxy of either sort—cannot now be given. The curious reader must consult works on criminal anthropology. Attention may be called, however, to a few characteristics of the criminal. He is a man who is below the average in mental capacity, although he may be shrewd and cunning. He has not that mental alertness and boldness which would lead him to deviate from received opinions. Moreover, he is extremely superstitious, and often hopes to find exculpation in the observance of religious forms, and has even been known to trust to his religion to help him in crime. Prayers for his success in robbery are not infrequent among superstitious and degraded people, and an Italian criminologist, who examined two hundred murderers, found them all religious. Naples is said to be the most religious city in Europe, and yet the most criminal. Sismondi, writing of the Italians of his day, said: "The murderer, still stained with the blood he has just shed, devoutly fasts, even while he is meditating a fresh assassination."<sup>1</sup>

A well-known American wrote an article for a prominent journal during the campaign in which Mr. Henry George was a candidate for the mayoralty of New York City, and attempted to estimate the number of votes which Mr. George might receive. This writer called attention to the fact that there were 20,000 criminals in New York City, and intimated that they would all cast their votes for Mr. George. The author of this book,

<sup>1</sup> See "The Criminal," by Havelock Ellis, pp. 156, 157. London, 1890.

although not an adherent of Mr. George, felt that this was probably an injustice to his followers, and was led to make some inquiries into the political affiliations of criminals. He formed the conclusion that they would generally be found to be adherents of one of the two older political parties, and that for this reason, in addition to those already mentioned, the criminal is a short-sighted man ; and, indeed, short-sightedness may be called so essentially characteristic of crime, that it is not far out of the way to define crime as short-sightedness. The criminal does not look to social reconstruction for which years must pass ; but, without thinking so far ahead, he adopts plans which will bring him gain to-day or to-morrow or next day. He adheres to a party which is able to help him at once when he becomes involved in difficulties. He desires what is called in American politics a "pull ;" and in consequence of this it is probable that in a given community he will, as a rule, belong to one of the two great political parties, but to that one which has been the stronger in his own city, or more particularly, perhaps, his own ward. In the prosecution of his inquiries, the author wrote a letter to a gentleman who had long worked among the inmates of the Elmira Reformatory, and asked him whether he thought there would be any considerable number of Henry George men, or socialists, or even anarchists, among them, and the reply was, that he thought not. A very interesting confirmation of this opinion has been given in a vote which was taken in the Reformatory, Oct. 24, and 25, 1892, the purpose of which was to allow the inmates to express political preferences for president and vice-president of the United States. The total number of ballots cast was 909, divided as follows: Democratic, 401 ; Republican, 394 ; People's

Party, 15; Prohibition, 1; defective, 8. It will be observed that the People's Party, which approximates most nearly to socialism, received only fifteen votes, while not one socialistic vote was cast.

It has already been mentioned that criminals are inclined to be orthodox in their religious views, so far as they have any. Of course, the religion itself is likely to be a caricature of any true religion; but so far as formal religious doctrines are concerned, the views of criminals harmonize with those which at a given time and place are customarily regarded as orthodox. Socialism proposes not a religious society, but an economic society, and has no direct connection with any peculiar religious doctrines. There will be found among socialists men of all religious views, as there will be among adherents of any other party. Some socialists are extremely conservative in their religious views, while it frequently happens that among the most conservative adherents of the existing social order there will be found persons of what are called liberal, or even loose, religious views. It has been held by some that Christianity has a peculiarly close connection with socialism, and that is true so far as both aim to help the weak and to lift the fallen; but it cannot be said that their means are necessarily identical. If a Christian can be made to believe that socialism will bring the good to the masses of mankind which its adherents claim for it, then he must necessarily accept socialism. But that is only to say that a Christian must be an honest man. The very point at issue is whether or not socialism will bring what it promises. If so, then no man who is upright can refuse to give adherence to it, when once he is convinced that such will be the case, whatever may be his religious doctrines.

Socialism often has to meet the reproach that it is hostile to the family as a social institution, and not infrequently we see the statement that socialism means free love. If we again call to mind the fact that socialism is an economic system, we shall see that it has only an indirect connection with views concerning the family, and we shall not be surprised to learn that among the socialists, as among other people, there are those who hold different views concerning the marriage tie. It is necessary, however, to dwell upon the socialistic position with respect to the family to understand fully its nature. The socialist to-day tells us that the modern industrial system is already destroying the family, and that, if it continues its operations, the family will probably disappear within a century. He claims that modern industrialism is far worse in its action upon the family than was slavery; for the latter only exceptionally separated the members of the family, whereas the arrangements of industrial society to-day regularly and habitually separate husband and wife and children. Our socialist points to the manufacturing towns of New England, which are popularly called "she towns," because they consist of women and children. And with these he brings in contrast the "stag camps" of the West; namely, the logging-camps of the lumber districts, gold and silver mining-camps, and the boarding-tents of the iron ore region. The socialist has strong support for his claim that industrialism is destroying the family, and in industrial centres has already accomplished a good share of its work, so far as homes are concerned. An investigator<sup>1</sup> in the Department of Labor, in an address delivered before the World's Fair Labor Congress at Chicago, entitled, "The Disintegra-

<sup>1</sup> Mr. Ethelbert Stewart.

tion of the Families of the Workingmen," spoke about the effect of modern industry on the family. First of all, he called attention to the fact that divorces are increasing, and marriages decreasing, in industrial centres, and that without any change in the laws. It appears that relatively the number of marriages in Chicago has never since been so great as in 1873, and that the same is true with respect to Philadelphia. On the other hand, it appears that the number of divorces in Pittsburg increased two hundred per cent between 1870 and 1880. It would further appear from investigations that the chief causes for divorce are economic. It is the necessity for the separation of the members of the family, in order that they may gain support. These are the words of the speaker on the occasion referred to: —

"Every one who has gone through the cotton-mill towns of New England and the South has seen house after house locked up, and little faces peering out at the windows. The mother has gone to work in the mill, and left her baby in the house. The father is working somewhere else, probably in another State. I submit that a family is pretty well disintegrated when this is its normal condition — the every-day life of the family. I have walked along rows of factory tenement houses, and found three out of five deserted by father, mother, and all the children big enough to work, while the babies are left to do the best they can."<sup>1</sup>

Herr Paul Göhre has written a noteworthy work, entitled "Three Months a Factory Hand," in which he narrates his experiences in a factory in Saxony, Germany. This Mr. Göhre was a theological student, who desired to see for himself the mode of life of the German workingmen, and to experience their life and to

<sup>1</sup> Mr. Ethelbert Stewart's address, delivered before the World's Fair Labor Congress, Aug. 30, 1893.

learn from familiar every-day conversation with them their actual views and aspirations. The report which Mr. Göhre has given in his work is regarded as a remarkably faithful and impartial picture; and he tells us, among other things, that the present economic conditions are destroying the family of the wage-earner. These are his own words:—

“Another fact infinitely significant and ominous, which in daily intercourse with this class is continually forced on the attention, is that in consequence of these conditions throughout wide circles of the industrial population of our great cities, the traditional form of the family no longer exists. The old organism, based on the consanguinity of parents and children, and built up exclusively of one kinship,—with the sole exception, in the higher classes, of more or less closely associated servants,—has given place to-day, in the ranks of the workingmen, to groups of people, kindred and stranger, formed upon purely economic needs of a common lodging and living, and formed, moreover, by chance. Inclinations of relationship have plainly given way to economic obligations. The mother has evolved into the household executive, who receives from husband, grown children, and stranger inmate alike, a fixed sum, with which she contracts to meet the demands of food, rent, laundry work, and the like; as to clothing, each relies upon himself.

“It is not the social democrats and their agitation who are responsible for this: precisely these conditions are the result of our whole industrial system, which makes it impossible for workingmen and their families to share their meals in common; which compels them to occupy the most ill-arranged and crowded dwellings; and to admit utter strangers, often in rapid succession, to the most intimate family relations, such as used to be held sacred for the family itself. Let one but remember the dense packing of the ‘rooms,’ that is to say, the family dwelling-places, in such workingmen’s barracks, or the old country houses altered to their plan; the impossibility of isolating one from the other; the thinness of the walls in houses so hastily constructed, that they

permit every loudly spoken word to be distinctly heard by the neighbors; the single corridor for the three or four 'rooms' on every story, whose use, as well as that of the water-supply, closets, etc., must be in common. All this leads to a promiscuity of daily intercourse, a publicity of family life, which is appalling to the beholder, and which must inevitably bring about the destruction of domesticity itself. It is absolutely impossible that the children of such families shall not live like brothers and sisters of one blood, when the corridor is their place of common resort, their playground, their opportunity for confidences; that growing lads and girls shall not come into the closest contact with each other; that the men shall not find continual occasion for interchange of ideas, and often of blows; that the women shall not intimately know every nook and corner, every shortcoming, every article of clothing and of household use among their neighbors; nay, more, that the common use of such articles, as, for example, the borrowing and lending of cooking utensils, shall not introduce a distinctly communistic character into the housekeeping of the scantily equipped families. Add to this the confinement and narrowness of the individual quarters, which drive the men out-of-doors in the evening, into the streets and fields when it is possible, or into some neighbor's larger and better room, or the beer saloons and assembly halls. Let one remember, further, how much this congestion is aggravated by the presence of lodgers and strangers, who bring with them their own customs and usages, their different manners, standards, and requirements, which, strange and often enough offensive, they yet express and put in practice as freely as in their own homes. Let one remember that these strangers leave the house with the husband and grown-up children and return with them, and habitually sit around the same table with them until bedtime, reading, smoking, talking, or card-playing. It is a fact that in many families parents and children can be together undisturbed *only* during the night, in the hours of sleep. Even the last chance of a cosey hour together at breakfast and dinner is constantly destroyed by the conditions of labor which I have described, and which make it impossible for father and children to go home for their meals. And even when this can be done, the hour's recess is only just

sufficient, in my opinion, to make the double journey—in the nature of things a moderately long one for the workmen of large establishments—and to swallow the food post-haste, without comfort or leisure.

“I shall speak in another place of the effect of this state of things on the morals, characters, and opinions of the wage-earning class. Here I have only to state the bare fact of the complete change in character of the workman’s family, and the causes which have brought it about. I repeat that it is, primarily, a product of our present economic conditions. These it is which must bear the heaviest burden of responsibility, and not social democracy, which, in this respect as in others, has but drawn the ultimate conclusions from existing premises, and formulated them into a system. The present evils are the groundwork and opportunity of social democracy, and its doctrine of the ideal future family.”

Mr. Göhre adds :—

“We must not be blind to this fact, above all, those of us who represent the avowedly religious section of the community; and, instead of bewailing the obvious decline of the old Christian ideal of the family, and inveighing against social democracy, we ought rather to co-operate in putting an end, definitely and forever, to the economic causes of which the present situation is the inevitable result.”<sup>1</sup>

The socialist writer declares, then, that the present social order is the cause of disintegration of the family, and he reproaches it with having destroyed the family, and put nothing better in its place. “This is what you are doing!” he cries to the adherents of the present economic system.<sup>2</sup>

The socialist claims that socialism will again make

<sup>1</sup> See “Three Months a Factory Hand,” by Paul Göhre, translated by A. B. Carr, soon to be published by Messrs. Swan Sonnenschein & Co., London.

<sup>2</sup> “Das Erfurter Programm,” by Karl Kautsky, chapter iv.

possible ideal love. When the author, some time since, in an article called attention to the fact that socialism did not mean free love, and carried with it no peculiar doctrine concerning the family, he received letters from two excellent young women, both Americans and socialists. One commented upon the passage in this language :—

“ Serious and intelligent people surely do not need to be told to-day that socialism has nothing to do with free love or atheism, and would, I should think, resent being told it. Could not you mention the stigma briefly, as a thing of the past and then account for it historically ? ”

The other, however, wrote as follows :—

“ If socialists may speak for socialism, it certainly does entertain the notion that the family of to-day belongs to the economic system of to-day, and that its economic foundation, that is, the economic dependence of the wife upon the husband, passes away with the rest of the economic dependence of one person upon another.”

What shall be said in regard to these two contradictory positions ? The latter position is that taken by those who adhere to a materialistic conception of history, which traces all social relations to economic conditions, and holds that, as the family has changed in the past, even so it will change in the future, as underlying economic conditions evolve into higher forms. This conception of history is, however, no necessary part of socialism, and no socialist has claimed that there is anything higher than the pure monogamic marriage of man and woman resting upon love. Whatever view we take of the evolution of society, it would not seem to follow of necessity that socialism would, if successful, do anything more

than purify and elevate the family. The differences among socialists in regard to the binding character of the marriage tie in the absence of love, or after it has disappeared, are no greater than the differences among other men.

## CHAPTER VI.

## THE ORIGIN OF SOCIALISM.

MODERN socialism is the natural outcome of modern industrial conditions, and its origin is contemporaneous with the origin of those conditions. We must seek its beginnings in the beginnings of modern industry. We can express this thought differently by saying that modern socialism is the product of the industrial revolution. It has grown with this revolution, becoming international as the industrial revolution has spread over the nations of the world. The peculiarities of socialism are part and parcel of the industrial revolution itself.

The industrial revolution was brought about by the series of inventions following important geographical discoveries. The most important of the inventions which inaugurated the industrial revolution took place about the middle of the eighteenth century, and they may be enumerated as follows: Kay's fly shuttle, invented in 1738, the first of the great inventions to revolutionize the weaving industry in England; Watt's steam engine, invented in 1769, and applied to the manufacture of cotton sixteen years later; John Hargreave's spinning-jenny, patented in 1770; the water frame of Richard Arkwright, the barber's assistant, invented in 1769; Samuel Crompton's mule, invented in 1779; Edward Cartwright's power loom, produced in 1787; and Eli Whitney's cotton-gin, invented in 1793. These inventors

may, in a sense, be called the fathers of modern socialism, for without their inventions it could not have come into existence.

The industrial revolution signifies rapid changes in the economic world. Evolution is going on continually, but we speak of changes as revolutionary when they occur with such unusual rapidity that we are not able readily to adjust ourselves to them. What are these changes which have taken place as a result of the great inventions named? We can perhaps best understand these changes, if we look about us and reflect upon those things in the economic world which are new. We have only to go outside our own homes and use our eyes diligently in any great city, to understand what it means when it is said that our present economic world is more different from that of 1776 than the economic world of 1776 was from the economic life of the early Oriental monarchies. Is it even necessary to enumerate these new things? Everyone calls to mind the telegraph, the railway, the telephone, street-cars, electric lights, anthracite coal, petroleum, etc. We may take up the factors in production — land, labor, capital, and enterprise — and trace changes in each one, and we shall find them momentous. Perhaps the changes have been least important with respect to land; yet even in land the changes are not inconsiderable. During this period we have witnessed, first, the contraction of public property in land, and then, more recently, the growth of public property; and, what is more important still, it is within this period that it has become possible to buy and sell land freely like commodities, so that we may almost say that land itself has become a commodity. Slavery and serfdom have been abolished, and labor has been given the right of free set-

tlement and contract. But it is with respect to capital that the most momentous changes have taken place, because it is changes in capital and the management of capital which have carried with them the most significant changes in labor itself. The changes of which we have spoken with respect to labor were necessary to enable capital to do its work ; but the chief change was in that force which we call capital. Capital, then, is that which is most significant in the industrial revolution ; and Karl Marx showed his insight into what was essential when he called his book on socialism, "Capital," and those are inferior economists who would concentrate attention on land rather than on capital. Capital, taking advantage of the inventions in industry and the improvement of means of communication and transportation brought about by these inventions, was able to extend production and to carry it on on a scale of increasing magnitude. This production upon a vast scale, based upon a far-reaching division of labor, became essentially social production. Armies of men work together in single or allied establishments, each one doing his own small part of a vast whole. Capitalistic production passed out of the shop and entered the factory. The master workman gave place to the captain of industry, and journeymen and apprentices to regiments of wage-earners. Production gradually became more and more socialized, and the process is still going on to-day.

Private property in the instruments of production came, in the meantime, to have a new significance. Formerly private property in the instruments of production meant private property in the tools used by the worker. The master had not a separate and distinct income without direct personal toil ; and capital did not

separate the industrial workmen into classes. But when production became socialized, private property in the instruments of production meant a great capitalist who no longer toiled at the bench with his workmen, but one who lived in a different quarter of the town, and often did not know them by sight. This private property, in the instruments of production, became the source of a large income altogether separate and distinct from the returns to personal exertion. Now, if we add to all this that there has been going on an extension of political rights, terminating in modern political democracy and increased educational facilities of every sort, all resulting in larger demands on the part of the less favored members of the community, particularly those ordinarily designated as the lower classes, and the growing self-consciousness on their part, as the result of their separation from their employers, have we not given the conditions which must inevitably result in socialistic thought?

We have, as the consequence of the industrial revolution, enormously increased the production of wealth, and that production is social, and not individual. What could more readily suggest itself than the socialization of the instruments of production, to correspond with the socialization of production on the one hand, and political democracy on the other? It was something so obvious that the workers could not help demanding sooner or later that they should have control of industry, as they were acquiring control of politics; and that they should have the advantages resulting from the ownership of the instruments of production which they used, but which advantages they saw now accruing to a distinct class; namely, the capitalist class. "To the workers the tools!" became the rallying cry, which, once uttered,

was rapidly taken up, and could not cease to be echoed and re-echoed. The increased production of wealth could not, withal, fail to stimulate desire on the part of those who participated in that production. They could not see why a larger part of the advantages of increased production should not accrue to them. They used tools and machines which frequently multiplied their labor-power a hundred and a thousand fold; but they could not be brought to believe that there was any corresponding improvement in their own condition. It was not necessary to point this out to the toilers, for they could not help feeling it themselves. But when deep thinkers arose and formulated a system of industry which, once introduced, would give to the workers all the results of the increased productivity of labor, they were predisposed to favor this system, and to take up an agitation in favor of the overthrow of the existing system, and the substitution therefor of the new industrial order.

But this is not all. It has been said that socialism grew and developed with the growth and development of the industrial revolution. Early in this century socialists proposed the establishment of small independent communistic societies. Each little village or hamlet was to be voluntarily organized, and to be relatively self-sufficient. The idea was that of a large household of equals working together as brothers and sisters, and producing the things which they needed for their own consumption. As industry became national, and then international, in its scope, solidarity of interests grew likewise. Workingmen's organizations extended from city to city, and from nation to nation, and then to the whole civilized world. Their ideals grew fast, and, wishing to enjoy the fruits of modern inventions and modern indus-

trial processes, their socialism expanded from the village community to the nation, and then to the world. Socialism itself, then, passed through three stages. It was first local, then national, and finally cosmopolitan. The local communistic settlement formed on a voluntary basis cannot enter into the advantages of a modern industry, and, from the standpoint of modern socialism, is held to be an anachronism. Yet another reflection is obvious. Industrial conditions are similar in all parts of the world which have participated in the industrial revolution. These similar conditions must inevitably give rise to similar thought. Socialism is not the only possible conclusion which can be drawn from them, but it is the one which could not fail to be drawn; and the absurdity of the ordinary talk about the importation of socialism from a foreign land becomes apparent.

## CHAPTER VII.

## THE PROGRESS OF SOCIALISM.

DID we need any justification for the attention which we give to socialism, it could be easily found in the progress which it has been making during the past generation. There existed early in the century a socialism of a utopian type in France, England, and Germany. France, in particular, had a number of thinkers who gained a great reputation at home and abroad, and found followers in many lands. Cabet, Saint-Simon, and Fourier are names which, in this connection, occur to every one who is at all familiar with the history of socialism. They had schemes more or less fantastic, but, withal, not devoid of keen criticism of the existing order, and shrewd proposals for its improvement. England had its Robert Owen, a wealthy manufacturer, who used up a fortune in endeavors to establish communistic villages in England and America. The United States had its wave of Fourieristic socialism, and its Brook Farm and other settlements. Albert Brisbane, Horace Greeley, and George William Curtis, among other distinguished Americans, took part in the movement. About 1860 this early socialism had well-nigh disappeared, or been absorbed by other socialistic movements. The co-operative movement in England, for example, took up the energy which had gone into Robert Owen's socialism, and its only outcome for a time seemed to be the peaceful operations of the

co-operative store. Louis Blanc had before this time begun an agitation more national in scope, and proposed to use the power of the state for the transformation of the modern competitive system into socialism. But Louis Blanc and his proposals appeared to be overwhelmed in the disasters of the Revolution of 1848. It was not strange, then, that a French writer about 1865 felt like offering an apology for compliance with a request to furnish an article on socialism for an encyclopædia of political science. Socialism, he said in effect, is something which is now dead and gone; but, after all, it has curious historical interest which may justify the present article. Scarcely was the ink dry on his manuscript, however, before the world began to hear something of a German named Ferdinand Lassalle. Fascinating in manner, admired alike by men and women, fiery and eloquent, he soon began to rally about him the workingmen of Germany. The newspapers said that socialism could not get a foothold in Germany. Socialism was something, it was urged, which might appeal to the restless Frenchman, but could make no headway against the solid common sense and contentment of the educated, but patient, German toiler. Ferdinand Lassalle was undoubtedly drawing his materials in part from the armory of Louis Blanc, and it was natural that socialism should be said to be a foreign importation, and not something which could naturally appeal to Germans. Yet the impossible happened. Ferdinand Lassalle died a romantic death, but his followers revered his memory and took up his work.

In the meantime there had come into Germany an influence proceeding from Karl Marx and Friedrich Engels, then living in London, but native Germans, who

had become involved in the revolutionary troubles of 1848, and had been obliged to flee their fatherland. The socialism of Lassalle was more distinctively national in character, while this new influence was more cosmopolitan, and less inclined to operate upon a strictly national basis. Quarrels and dissensions between the factions were a source of satisfaction to the enemies of German socialism, but soon they united, and since then they have worked together. The progress of socialism in Germany has been almost uninterrupted from the beginning, and has been entirely without parallel in such radical social movements. This progress has taken place in spite of opposition of all sorts, both private and public. Laws of Draconian severity passed against the social democracy, and enforced relentlessly, have served only to strengthen and unite the party. The social democrats returned eight members to the parliament of the North German Federation in 1867. At the first election after the formation of the German Empire they returned two members and cast nearly 125,000 votes. The votes increased to nearly 500,000 in 1877, when the number of seats in parliament gained by the party was twelve. Owing to an attempt on the life of the German Emperor, a slight reaction took place in 1878, the party losing some 50,000 votes and three seats in parliament. At the next election the social democrats suffered under the influence of the special laws passed against them, and lost over 100,000 votes, although they gained three seats in parliament, as their votes were so concentrated that they were more effective. From that time until the present, the number of votes cast by the social democrats has increased without interruption, and in 1890 they became numerically the strongest party in the empire, casting nearly 1,500,000

votes. They retained their position as the strongest party in the empire in the elections of 1893, casting nearly 1,800,000 votes, and electing forty-four members of parliament, a far smaller number than proportional representation would give them, as their votes were more scattered than those of the other parties.<sup>1</sup>

Of course this means less than it would in a country like the United States or England, because there are a dozen or more political parties in Germany. Another indication of the growth of social democracy, is the fact that it has gained a foothold among the students of the universities, and that there are formal social democratic organizations in several important German universities. These students held a meeting to discuss their plans for pushing social democracy, in Geneva, Switzerland, in December, 1893.

Next to Germany, England is probably the country where socialism is strongest. It has not made itself felt to a great extent as a separate political party, but has influenced all the parties, and is producing a powerful impression upon the thought and legislation of England. It has participated in local elections, and its candidates have been successful in many instances. London is not only the greatest city in England, but the greatest city in the world; and it is governed by a County Council, the majority of whose members, if not avowed socialists, at any rate act consciously under a pronounced socialist influence. Socialistic thought is a force which to-day is governing London, although, of course, it must be remembered that London alone is so restricted by national

<sup>1</sup> See Appendix for full statistics showing the progress of German social democracy. A chart is also added, giving a graphic representation of the advance social democracy has made.

legislation, that it cannot carry out anything like a full socialist program. Yet the drift is unmistakable. Two illustrations will suffice. The London County Council has recently acquired some twenty-one miles of street railways (tramways), and proposes to operate these lines. While the ownership and operation of municipal monopolies does not, of necessity, mean socialism,—while, indeed, an anti-socialist may favor such ownership and operation,—the significant point is that in London the change was brought about by socialist intent, and as part of a socialist program. The second illustration is found in the abolition of the contract system in the construction of artisans' dwellings by the municipality. The municipality has had for some time the power to erect dwellings for artisans, but it had been in the habit of employing contractors in its operations. The abolition of the contract system means a determination on the part of the municipality to organize and carry on the work itself; and this change is also effected because it is in the direction of socialism.

Perhaps equally important has been the changed attitude of the English workingmen. The newspapers of England indulged in talk concerning the relations of English workingmen to socialism, precisely like that found at an earlier date in the German newspapers respecting the relations of German workingmen to socialism. Socialism, it was alleged, was a Continental poison which could not make headway in England. Its workingmen were too prosperous, it was alleged, and, moreover, they were too little inclined to indulge in philosophical speculation to follow the vague and indefinite ideas looking to a remote future prosperity. England, it was claimed, was the classic land of common

sense. The English trades unions, once dreaded, now began to receive praise, and were looked upon as bulwarks of conservatism. For some time, indeed, they seemed to merit the praise which was meted out to them; but more and more they have fallen under the influence of socialistic thought, and at the last trades union congress, held at Belfast in September, 1893, a program for political action was adopted which was nothing less than pure socialism. A motion requiring candidates for Parliament receiving financial assistance to pledge themselves "to support the principle of collective ownership and control of all the means of production and distribution," was carried by a large majority. Moreover, an Independent Labor Party was formed in January, 1893; and its object, as stated in the constitution as amended in February, 1894, is "The collective ownership and control of the means of production, distribution, and exchange." Its president is Mr. Kier Hardie, M.P.

Modern socialism has required time to gain a firm foothold in France. Early utopian socialism was practically dead in 1860. During the last decade of Napoleon's reign there was no strong socialistic movement, although the International Workingmen's Association made itself known and felt in France. The uprising of the Paris Commune was only partially socialistic. It was only during the latter part of its history that the socialistic elements began to make themselves prominent. But this uprising was suppressed, and a frightful slaughter of the masses ensued, in which it is said that the larger proportion of the revolutionary population was slain. Socialism did not play any *rôle* in the early history of the republic, and severe laws sought to sup-

press it. Many conditions, moreover, were unfavorable to the growth of socialism. One of these was the generally unsettled condition of society following upon the revolutionary movement. Troubled times are more favorable to schemes for a violent overthrow of existing institutions than to the development of organized and systematic efforts at a gradual and peaceful reconstruction of society. It may be said in a general way that social tranquillity is favorable to socialism, and a politically unsettled condition is favorable to anarchy. Moreover, for a time, the character of the French masses did not seem to be sufficiently stable and thoughtful to furnish a good soil for socialism. It appeared to be more receptive to the propaganda of revolutionary violence, and to schemes for the overthrow of the existing system and the establishment of a new order in a night. The continued existence of the republic has given France a longer period of domestic peace than she has known since the great revolution of the last century, and the marvellous development of educational institutions in France has furnished a better instructed people as a soil for a social philosophy, which at least requires some considerable intellectual capacity and effort for its comprehension. A group of students began the publication of a socialistic paper in 1876; and Jules Guesde, who at one time had been inclined to favor anarchy, but had become a socialist, founded a "collectivistic" labor party in 1879. Collectivism, it may be remarked in passing, is a designation of socialism which is common in France. Shortly afterward, another convert from anarchy, Dr. Paul Brousse, joined Guesde. It may be said that by 1880 modern socialism had gained a firm foothold in France. The development was slow for a time, and in

1889 the socialists cast only 91,000 votes out of a total of 6,847,000, or 1.30 per cent. Two years later, however, they cast 549,000 out of a total of 6,275,000 votes, that is to say, nearly nine per cent.<sup>1</sup> But it was in 1893 that France was astonished by the success of the socialists in the election for members of the French Assembly. In that year they succeeded in increasing the number of their deputies from fifteen to fifty, becoming thus, as in Germany, a great political party. They have become so strong that they do not seem to have been injured by the tendency to reaction necessarily following upon the explosion of the dynamite bomb thrown among the French deputies by the recently executed anarchist, Vail-lant, and the attempts to make the people of France regard the socialists as responsible appear to have been fruitless. This unquestionably means a great deal.

It is also significant that Paris, the second city of the world in size, is, like London, under the government of a socialist municipal council, and that some five or six other French cities are governed by municipal councils, the majority of whose members are either avowed socialists or are socialistically inclined.

The students of France, like those of Germany, seem to be more or less receptive to socialism; for a socialistic society was formed in the student quarter, the well-known Latin Quarter, of Paris in 1891, and it seems to have displayed considerable activity since that time.<sup>2</sup>

An essential feature of the growth of socialism in France is the development of what we may, relatively at least, designate as conservatism. It is probably on this

<sup>1</sup> "Der Capitalismus fin de siècle," by Rudolph Meyer, p. 477.

<sup>2</sup> See Appendix for a statement concerning the present condition of socialism in France.

account, as well as on account of greater familiarity with socialist plans, that socialism appears to be less dreaded now than formerly. The author of the report on France issued by the English Royal Commission on Labor describes the change in public opinion in these words:—

“Whatever may have been the meaning originally attached in France to the word socialism, and whatever may be the precise body of doctrine to which it may be applied at the present time, it is certain, as a writer in the *Revue Des deux Mondes* in 1890 pointed out, that it has lost part of the significance of something ‘violent and somewhat offensive that it had formerly.’ All parties alike in France are agreed as to the fact of the change.”<sup>1</sup>

The other European countries require less attention. Modern socialism began to make itself felt in Belgium in 1876, when Dr. César de Paepe, a former anarchist, who had become an adherent of Karl Marx, began an agitation among the workingmen of that country, and established a social democratic party, at first containing two factions, which united in 1879 and formed a political socialistic party, with a program much like that of the German social democracy. Socialism in Belgium has been connected with remarkable co-operative societies which have achieved a rare success, and at the same time have been used as centres of socialistic activity. The two best known of these are the Vooruit of Ghent and the Volkshaus of Brussels. The suffrage has heretofore been so restricted in Belgium that it has been confined to persons of wealth, and the wage-earners have had no chance to make themselves felt in politics. But during the past year the socialists began a tremendous agita-

<sup>1</sup> Royal Commission on Labour's Foreign Reports, vol. vi., France, London, 1893, p. 10.

tion to secure universal suffrage, and developed one of the most remarkable agitations of modern times. They threatened a universal strike, and so alarmed the public authorities that something approximating universal suffrage was established. It remains to be seen what use socialism will make of this new condition of things in Belgium.

Holland has not been so prominent in modern socialism as Belgium; but it has an educated and able leader in Domela-Nieuwenhuis, and of late there seems to have been indications of at least a moderate growth of socialism in Holland. In 1893 the socialists gained control for the first time of the municipal council of a Dutch city, namely Beesterzwaag, in which they have eight out of fifteen municipal councillors.<sup>1</sup>

Of the Scandinavian countries, Denmark and Sweden alone have displayed any considerable socialistic activity, although socialism has made some little progress in Norway, where, however, the backward industrial condition has been unfavorable to its growth. The Danish socialists after various reverses became strong in the eighties, and they have succeeded in gaining a following among the agricultural laborers, as well as among the artisans of the towns. Their principal organ, *Social-Demokraten*, has a large circulation, and, according to the last account accessible to the author, they have four members in the Rigsdag, namely, two each in the Folkeeting and the Landsting. Socialism has, during the same period, made considerable, but less, advance in Sweden, where it has a strong central organ, also called *Social-Demokraten*.

Socialism has developed slowly in Austria, where it

<sup>1</sup> See the *Revue Socialiste* for September, 1893.

has had to contend against anarchy ; but of late, under the leadership of Dr. Victor Adler, an adherent of Marx, it has become stronger. Although Austrian socialism is still weakened by dissensions and by anarchy, it is claimed that the labor movement in this country is essentially social-democratic. Socialism undoubtedly begins to be felt as a force in Austria, although far weaker than in France, Germany, or England.

Switzerland is politically the most democratic country in the world. It is certainly far more democratic than the United States, and it is a country in which social reform has proceeded more rapidly than in any other country, unless it may possibly be England. Switzerland has been the home also of foreign agitators and socialists from all parts of the world ; and yet pure socialism, while it doubtless has its adherents, has never become a very prominent political factor. It seems that social and political reforms which are within the reach of the people have, in the main, absorbed their energy, and diverted into peaceful channels the social current which in other countries has become revolutionary.

The Latin countries generally have furnished a less favorable soil for socialism than the Teutonic countries. The masses have been more ignorant, and, on account of their temperament perhaps, more receptive to a propaganda of anarchistic violence than to socialistic philosophy. It is generally, if not universally, found that where socialism is strong, anarchy is weak ; and where anarchy flourishes, socialism languishes. Socialism has, however, at last gained a footing among the agricultural laborers and the artisans of the towns in Italy ; and in 1892 a program was drawn up which resembles, in the main, the programs of the other countries mentioned. Of

twenty-five socialistic candidates who stood for parliament in this year, four or five were elected; and in the local elections of 1893 several socialist candidates were successful, the party finding support in all parts of the kingdom. The socialist press is reported to be in a flourishing condition, and it includes a scientific review called *La Critica Sociale*.<sup>1</sup>

Socialism has made itself felt in Spain and Portugal, in the former of which countries it gained its first political success in 1891, when five socialists were elected to local legislative bodies in the northern part of the country; four of them being elected to membership in the municipal council of Bilbao. Socialism has, however, in these countries, gained no great strength, although apparently growing in both.

Russia has been the natural home of a propaganda of violent social reconstruction, and this has been the natural outcome of the impossibility of popular agitation and participation in political life. The political despotism of Russia seemed to lend countenance to the idea that what was first of all needed was a violent overthrow of existing institutions. But of late there seems to be in progress a socialistic agitation in Russia which seeks to influence the industrial population of the cities. It is not surprising to be told that the leaders of Russian socialism live in foreign countries.

Socialism is known and is working elsewhere in Europe, but has not become a great force. The countries to which reference is made are those in the southern portion of Europe which are more or less Asiatic in their

<sup>1</sup> Cf. Report of the Royal Labour Commission on the Labour Question in Italy, London, 1893, p. 21.

characteristics, and in which the industrial development has been slow.<sup>1</sup>

What shall be said about socialism in the United States? The earlier socialism was destroyed by our Civil War; but soon after that ceased, foreigners, coming to this country from France and Germany, endeavored to plant the seeds of socialism in our wage-earning population. The socialists of Germany established the Socialistic Labor Party in the seventies, and this continues to the present day. It early entered into political life, and has in recent years been active in several parts of the country, putting up a presidential candidate at the last election. The number of votes cast for the candidates of the Socialistic Labor Party has recently increased considerably, and yet the number is so small as in itself to have no significance. The leaders of the party, however, express themselves as hopeful, and believe that now they have gained a firm foothold, from which they cannot be dislodged. Early adherents were won among the foreign population, but of late they have made more headway among the American-born wage-earning population. They have also exercised more influence than would at first appear, because they have given a socialistic direction to the thought of the labor leaders of the country. Their adherents enter into the labor organizations, and edit labor papers which are not avowedly socialistic, and yet advocate what is essentially socialism. What this party may do in the future is, of course, uncertain; but it cannot be granted that, up to the present moment, they

<sup>1</sup> In regard to the present condition of socialism in these countries, see the excellent article on *Sozialdemokratie*, by Georg Adler, in the *Handwörterbuch der Staatswissenschaften*, edited by Prof. J. Conrad and others.

have exercised a strong influence, likely to have a lasting effect on the country.

Mr. Edward Bellamy wrote "Looking Backward" in 1888. This socialistic work soon attained an enormous circulation, selling for a time at the rate of a thousand copies a day. This was the beginning of the American socialism which has been called nationalism. Nationalist clubs were started in all parts of the country, from Boston to San Francisco. Newspapers in the interest of the agitation sprang up almost daily; and the leaders hoped in a few years to carry everything before them. The movement, as a separate and distinct force, began to grow weaker some two years since, and has seemed to decline almost as rapidly as it rose. Nationalism has, however, exercised a great influence upon American thought, and has not been without effect upon legislation, particularly in Massachusetts, for important laws can be traced to the agitation of the nationalists. They have very generally entered into the Populist movement, not because they accept that in its present form as ideal, but because that movement has seemed to give them the best opportunity for the diffusion of their principles; and there can be no doubt that they have given a socialistic bias to this movement. They have also influenced the labor movement, and, with the Socialistic Labor Party, they have succeeded in producing a strong sentiment in favor of independent political action on the part of wage-earners. Especially noteworthy was the platform for independent political action offered at the meeting of the American Federation of Labor in Chicago in December, 1893. That platform was referred to the bodies represented for consideration, with the understanding that it would come up for action at the next

annual meeting of the Federation, which is the largest labor organization in the United States. The president of the American Federation of Labor, Mr. Samuel Gompers, has, in the meantime, expressed the opinion that independent political action was likely to be taken at an early day, and that it would be along the lines of this platform, which reads as follows :—

#### POLITICAL PROGRAM.

*Whereas*, The trade unionists of Great Britain have, by the light of experience and the logic of progress, adopted the principle of independent labor politics as an auxiliary to their economic action, and

*Whereas*, Such action has resulted in the most gratifying success, and

*Whereas*, Such independent labor polities are based upon the following program, to wit:—

1. Compulsory education.
2. Direct legislation.
3. A legal eight-hour work-day.
4. Sanitary inspection of workshop, mine, and home.
5. Liability of employers for injury to health, body, or life.
6. The abolition of the contract system in all public work.
7. The abolition of the sweating system.
8. The municipal ownership of street cars, and gas and electric plants for public distribution of light, heat, and power.
9. The nationalization of telegraphs, telephones, railroads, and mines.
10. The collective ownership by the people of all means of production and distribution.
11. The principal of the referendum in all legislation.

*Therefore, Resolved*, That this convention hereby indorses this political action of our British comrades, and

*Resolved*, That this program and basis of a political labor movement be, and is hereby, submitted for the consideration of the labor organizations of America, with the request that their delegates to the next annual convention of the American Federation of Labor be instructed on this most important subject.

Nationalism has influenced far more considerably than the socialistic labor party the professional classes of the country, and particularly the clergy.

It must be stated, in conclusion, that it is extremely difficult to estimate precisely what strength socialism has in the United States at the present time. The opinions of observers will differ according to their wishes with respect to the growth of socialism. Nevertheless, no thoughtful and impartial person can fail to acknowledge that socialism has, in the United States, become a force which is more likely to increase in strength than to decrease, and one which cannot be ignored, but one with which we must deal.

It is not consistent with the purpose of this book to go into details in regard to socialism in every part of the world, as Australia and Canada. But we may say that socialism is known wherever modern industrial civilization exists. It is one expression of this industrial civilization ; not the only one to be sure. It is an interpretation of this industrial civilization which may not be correct, but which was nevertheless inevitable.

Socialists themselves like to compare the growth of socialism to that of Christianity in its early stages. Different as are the two, the comparison is not altogether inappropriate. Both have found their chief strength among the masses, and they have grown with marvellous rapidity, although the growth of socialism, it must be confessed, has been the more rapid. They have both

spread from nation to nation, and been international and cosmopolitan in character. They both demand universal dominion, and their progress has not been stopped by persecution. On the contrary, imprisonment and death seem to give new zeal to their adherents. Socialism has become, as well as Christianity, a religion to many, and the devotion which it has awakened is something which nothing short of a religious force is able to arouse. Surely, all these facts not only justify, but demand, that the most careful attention should be given to this new and mighty power which has come into the world.

## CHAPTER VIII.

THE EVIDENCES OF AN ALLEGED IRRESISTIBLE  
CURRENT OF SOCIALISM.

THE various kinds of modern socialism have been divided into two main classes,—ethical systems and a non-ethical system. The ethical systems are those which make prominent the appeal to ethical sentiment. The advocates of these ethical systems of socialism attempt to show that the present order works cruelty and injustice, and that the socialism which they urge men to adopt will establish righteous relations among men, and thus promote human welfare. They think that an exposition of the benefits of socialism, and an appeal to the consciences of men, are the forces which are needed to bring about the new social order. The earlier systems of socialism were, it may be said, mainly ethical in this sense. Exhortation played an important *rôle* in these, for they were urged upon men much as religion is. The non-ethical system is not to be understood as anti-ethical. The expression non-ethical means simply that the ethical element plays no part in the production of anticipated changes. These changes come as the result of natural laws working in society. Man observes these, and he discovers the necessary results of their operation. The most which any individual can do is to work with these social forces, possibly accelerating them somewhat, and rendering the transition from an earlier to a more advanced stage of society a less painful and an easier one than it would otherwise

be. This non-ethical socialism is that of which Karl Marx is the founder. It is claimed by his adherents that he has found a law of evolution working in society like that which Darwin found in the natural world; and, in their opinion, the two great intellectual lights of this century are Karl Marx and Charles Darwin. The ethical element plays almost, if not wholly, as subordinate a part in this socialism as in the Darwinian natural science. A materialistic conception goes with this theory of social evolution, and forms an essential part of it. It makes every social advance depend upon the development of the economic sphere. In this extreme form, it makes religion and the family, art and literature, products of the mode of producing, exchanging, and distributing material wealth. This idea of historical evolution was brought forward as early as 1847 by Marx and Engels, in the celebrated "Manifesto of the Communist Party." Engels states the fundamental proposition which forms the nucleus of the Manifesto in the preface to the English edition of 1888 in these words:—

"That proposition is: that in every historical epoch the prevailing mode of economic production and exchange, and the social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch."

In the Manifesto itself we find the following words:—

"Does it require deep intuition to comprehend that man's ideas, views, and conceptions, in one word, man's consciousness, changes with every change in the conditions of his material subsistence, in his social relations, and in his social life? What else does the history of ideas prove than that intellectual production changes its character in proportion as material production is changed?"

It is the development of economic society, then, which is producing the ideas of our time. The ideas are effect and not cause.<sup>1</sup>

When we adopt this materialistic conception of history our socialism becomes entirely a matter of evolution going on in the social world. This socialism is, from its author, often called Marxist socialism, and it is that which is dominant in Germany. At the same time, it must be acknowledged that the German social democrats are not entirely true to this theory of evolutionary socialism. While they give evolution a large place, they do introduce an ethical element, and appeal most earnestly to the wage-earning masses to help forward the socialistic movement. Their action is based upon an assumption of will, free, and not bound wholly, at any rate, by social laws. One of the leaders of the German social democracy, in a recent work giving an excellent succinct summary of the German socialistic philosophy, says that socialism is necessary, because men are men with inclinations and capacity to struggle for the attainment of their desires. The evolution of society is such, he claims, that we must, in the future, either have barbarism or socialism; and, taking men as we find them, we know they will choose socialism, and they will shape their action in accordance with their choice.<sup>2</sup>

The evolution which is inevitably bringing socialism is that which may be briefly described as the development of competing industries into monopolies; and this

<sup>1</sup> Cf. this statement in the "Erfurter Programm," by Karl Kautsky: "In the last instance the history of mankind is determined, not by the ideas of men, but by the development of economic society." P. 38.

<sup>2</sup> "Das Erfurter Programm," by Karl Kautsky, pp. 131-145. *Der Aufbau des Zukunftsstaates.*

development, the socialists maintain, is destined to become practically universal and all-inclusive. The socialists trace the development of industry from the Middle Ages, in which production was carried on in small shops, and the tools were owned by the workers. The private ownership of tools and of land is held to be proper to industry on a small scale. This period of small industries is followed by a period of *manufactures*, distinguished from the present period, called the period of *modern* or *grand industry*. The period of manufactures lasted, it is stated, from the middle of the sixteenth to the last third of the eighteenth century, when the period of grand industry began.<sup>1</sup>

The period of manufactures is characterized by the employment of artisans by a capitalist, who assembles them in one workshop and organizes their industry. There arises in this period the distinct capitalistic and employing class, separated by a wider and wider gulf from the growing wage-earning, or proletarian class.<sup>2</sup> The development of concentration of production, however, is slow until we enter the period of modern industry, when it begins to move at an accelerating rate of speed, which continually increases, exhibiting finally its true nature in the latter half of the nineteenth century. This development will proceed until we have complete concentration of production, it is claimed by socialists; and the only choice will be between concentration under private and irresponsible, and concentration under public and responsible, management. This concentration of production, finally amounting to unification, demonstrates,

<sup>1</sup> See "The Student's Marx," by Edward Aveling, p. 73.

<sup>2</sup> Proletarian class is now used to designate a class of wage-earners not owning the tools with which they work.

according to the socialistic law of evolution, the possibility of socialism. But this evolution does more than demonstrate the possibility of socialism; it shows its necessity, for along with this growth of concentration in production under private management, the advantages of increasing productivity accrue to a small class, while the lot of the great masses becomes more and more intolerable. There grows up what is called an *industrial reserve army* of unemployed men vainly seeking work. This army naturally depresses wages at all times. Periods of prosperity cannot exhaust it entirely, and thus they do not bring that increase in the rate of wages which would otherwise take place; and periods of depression swell the army to enormous proportions, and render the lot of the masses a more hopeless one than before. Production is carried on vigorously; but this implies a public with purchasing power, if production is to continue. Now, it is precisely characteristic of modern industry that the purchasing power of the masses, relatively at least, declines, and less and less keeps pace with the growth of production. Consequently there must be a *relative over-production* as well as a *relative over-population*, as seen in the industrial reserve army. Goods pile up until the result is a crisis, and consequent industrial stagnation. Now, as the powers of production increase, crises must become more and more frequent, more and more lasting, until we can scarcely hope to escape from one period of industrial stagnation before we are overtaken by another crisis. This capitalistic law of development, it is held, becomes intolerable, and the change to socialism becomes also easy, because it is simply necessary to change the management of production, and develop it a little further to attain the socialistic state. If we have, for example,

a complete monopoly in any line of the business the first change, and the great change, necessary to render this socialistic is to change the manager ; "to expropriate the expropriateurs," to use the phrase of Marx. This is easier because the workers have become an army trained and disciplined to act together ; and, moreover, an army of men among whom common experiences, common trials, and common sorrows have produced a deeper and deeper feeling of solidarity. The historical development of society is sketched by Friedrich Engels in his work, "The Development of Socialism from Utopia to Science."<sup>1</sup> The most recent and authoritative statement, however, is that which is found in the "Erfurter Programm," the first words of which, "The economic development," are specially significant. It reads as follows :—

"The economic development of industrial society tends inevitably to the ruin of small industries, which are based upon the workman's private ownership of the means of production. It separates him from these means of production, and converts him into a destitute member of the proletariat, whilst a comparatively small number of capitalists and great landowners obtain a monopoly of the means of production.

"Hand in hand with this growing monopoly goes the crushing out of existence of these shattered small industries by industries of colossal growth, the development of the tool into the machine, and a gigantic increase in the productiveness of human labor. But all the advantages of this revolution are monopolized by the capitalists and landowners. To the proletariat, and to the rapidly sinking middle classes, to the small tradesmen of the towns and the peasant proprietors (*Bauern*), it brings an increasing uncertainty of existence, increasing misery, oppression, servitude, degradation, and exploitation (*Ausbeutung*).

<sup>1</sup> An English translation is published in Sonnenschein's Social Science Series. Another translation may be had from the office of the newspaper, *The People*, 184 William Street, New York.

"Ever greater grows the mass of the proletariat, ever vaster the army of the unemployed, ever sharper the contrast between oppressors and oppressed, ever fiercer that war of classes between bourgeoisie and proletariat which divides modern society into two hostile camps, and is the common characteristic of every industrial country. The gulf between the propertied classes and the destitute is widened by the crises arising from capitalist production, which become daily more comprehensive and omnipotent, which make universal uncertainty the normal condition of society, and which furnish a proof that the forces of production have outgrown the existing social order, and that private ownership of the means of production has become incompatible with their full development and their proper application.

"Private ownership of the means of production, formerly the means of securing his product to the producer, has now become the means of expropriating the peasant proprietors, the artisans, and the small tradesmen; and placing the non-producers, the capitalists, and large land-owners in possession of the products of labor. Nothing but the conversion of capitalist private ownership of the means of production—the earth and its fruits, mines and quarries, raw material, tools, machines, means of exchange—into social ownership, and the substitution of socialist production, carried on by and for society in the place of the present production of commodities for exchange, can effect such a revolution that, instead of large industries and the steadily growing capacities of common production being, as hitherto, a source of misery and oppression to the classes whom they have despoiled, they may become a source of the highest well-being, and of the most perfect and comprehensive harmony.

"This social revolution involves the emancipation, not merely of the proletariat, but of the whole human race, which is suffering under existing conditions. But this emancipation can be achieved by the working class alone, because all other classes, despite their mutual strife of interests, take their stand upon the principle of private ownership of the means of production, and have a common interest in maintaining the existing social order.

"The struggle of the working classes against capitalist exploitation must of necessity be a political struggle. The working classes

can neither carry on their economic struggle, nor develop their economic organization, without political rights. They cannot effect the transfer of the means of production to the community without first being invested with political power.

“It must be the aim of social democracy to give conscious unanimity to this struggle of the working classes, and to indicate the inevitable goal.”

A less extreme position in regard to evolution is taken generally by the English Socialists, especially by the Fabians; and this less extreme position seems, to the author, one which gives socialism in reality a far stronger case. The modern socialist does not think that a plan of social reconstruction can be drawn up out of his own inner consciousness, and then introduced purely by persuasion. He holds that we must observe carefully the tendencies of social evolution, and shape our plans with reference to these. He claims that the evolution of society which is taking place,—chiefly spontaneously, so far as society at large is concerned; that is to say, without any self-conscious effort to bring it about,—is entirely favorable to socialism, and that socialism otherwise could not exist. At the same time, he is not inclined to think that the development in the future must necessarily take one single form, or that it will be satisfactory without self-conscious social effort. He does not adopt the materialist conception of history, but gives room for the play of conscience, and to the conscience he does not hesitate to appeal. The more conservative socialists see many evidences of the break-down of the present social order, showing the necessity of changes, and they observe evidences of a current set in the direction of socialism. Among these evidences may be mentioned, of course, first of all the tendency towards

monopoly, as evidenced by combinations, rings, and trusts, and the concentration of wealth of all kinds in a few hands. The growing solidarity of labor, which is becoming national, international, and even cosmopolitan, is adduced as a further evidence. The incompetency of the captains of industry to perform their functions with respect to the continuous production of goods, and their inability to preserve their command over the industrial army, is to them a strong proof that a change must come, and that socialism is the natural outcome of the present system. We are asked to direct our attention to great strikes, like those which have taken place at Buffalo, Chicago, and elsewhere, and to see in these proof positive of the incompetency of the captains of industry, an incompetency for which they as individuals are not necessarily to blame, but an incompetency which arises out of the nature of modern industrial society. It would be held, unquestionably, that something was wrong in an army, if the commanders were not able to preserve order, and to perform the functions which naturally belong to them as leaders who are to conduct the army to victory. Crises and industrial depressions are held by all socialists to be a proof of the break-down of the present industrial system, and an evidence of the need for radical social reconstruction.

Socialists generally attach importance to the moral wretchedness of society, as seen in divorces and embezzlements and defalcations, both in private and public life; because they hold that society at the present day is so constituted that these iniquities are its natural and almost inevitable outcome. Men cannot be honest, we are told, and maintain themselves in the business world. Private business, it is maintained, uses public office for

its own ends, and disgraces public life. Competition in business rules the mass of men, and is transferred to competition in expenditures. Everyone desires to make a greater show than his neighbor. This leads to extravagance, this to wild speculation, and this to embezzlement. The end is seen in wide-spread ruin. Families are disrupted in this way among the higher orders, as the needs of industry separate them among the poorer portion of the community. It is claimed by socialists that all this trouble is too deep-seated to be cured by any reform which leaves the present industrial order unchanged in its essential features.

As socialism is expected to come as the result of evolution, to a greater or less extent brought about and guided by the wishes and intelligence of men, it is not anticipated by the modern socialists that it will come all at once. No one expects to go to bed one night under a capitalistic *régime* and to wake up next morning with socialism in full swing. It is held rather that socialism will come piecemeal, although the active and ardent socialists do unquestionably anticipate that large instalments will come in the comparatively near future, and that these will be followed by other large instalments with considerable rapidity. Naturally it is thought that large monopolistic undertakings will be socialized first, and business after business will be absorbed as it becomes monopolistic. It is not, by the most moderate faction, proposed to take over business conducted on a small scale, unless those so conducting it desire to give up their business and enter into the co-operative commonwealth. The small farmer and the artisan working in his own little shop may continue their operations as long as they are able to do so, and desire to do so. At the same time

it is undoubtedly expected that the process of concentration of businesses will be continued and accelerated when something like genuine socialism is well under way. Socialism proposes to carry forward existing industrial tendencies, but to direct the industrial movement in such manner that it may yield the greatest good to the greatest number, and so that the present evils of these tendencies may be altogether avoided, or reduced to an inconsiderable minimum. Consequently it is frankly admitted that the small producer will be less and less able to hold his own against socialistic production. It is urged, however, that even now he is being ruined by the competition of great undertakings, but has no refuge except the lot of the wage-earner, unless he chooses to become a small retail shopkeeper, or the proprietor of a restaurant, to use a German expression for what we would call in the United States a saloon-keeper, having an insignificant hotel attachment, that is to say, maintaining a precarious existence on the fringe of economic society. It is held, on the other hand, that socialism would prove an attractive force, and that the small producers would gradually surrender their businesses and enter some branch of socialist production, so that the expropriation of the small capitalist would take place without the suffering which at present accompanies it.

An interesting question is whether the transformation will take place with or without compensation. The more conservative and sensible socialists desire that it shall be as easy as possible to all concerned, and they do not all deny the possibility of compensation in consumption goods, in values to be used, that is, in consumption, but for which there would be little opportunity to find productive employment, and thus yield income. The Fa-

bian Society of England desires that the change should go forward without payment for capital and land, that is to say, the instruments of production generally, holding that this cannot be required by ethical considerations; but they think that the extinction of private property in land and capital should not be effected without relief to expropriated individuals.<sup>1</sup>

Another interesting question of great importance is whether the changes proposed by socialism are to be accomplished peacefully. It may be said, in general, that socialists earnestly hope that peaceful and legal measures will be sufficient. Some, however, hold that the opponents of socialism, that is to say, in the main, the privileged classes, will rebel against the constituted authorities, when they once clearly perceive that these are exercising their power in behalf of the socialistic state. Yet there are those who hold that socialism is already stealing upon us unawares, and that its approach will be sufficiently gradual and beneficent to meet with more and more favor, and thus anticipate no violence, even from the higher orders of society. Perhaps it can be said, in general, that the English socialists are the least apprehensive that the transformation will be accompanied by anything like civil war.

<sup>1</sup> Appendix II., "Basis of the Fabian Society."

## CHAPTER IX.

**SOCIALISM CONTRASTED WITH OTHER SCHEMES  
OF INDUSTRIAL CHANGE.**

SOCIALISM in the popular sense is often brought into opposition with what is called state socialism. Reference has already been made to state socialism, and it is not necessary to add many words to what has been said regarding it. State socialism is an expression which originated in Germany, and refers to reforms to be accomplished by the existing state, with a view to the establishment of permanent social peace. State socialism, as viewed in Germany, may mean the absorption of the production and distribution of wealth by the state, or it may mean a further extension of the industrial activity of the state without going so far. But, at any rate, it does not propose radical changes in the state itself. Social democracy, which is, generally speaking, socialism in the popular sense, is socialism plus democracy; but state socialism in Germany is socialism plus monarchy, and is therefore conservative. The social democracy advocates a class struggle to be conducted by the wage-earning class, and to be continued until it is able to abolish all classes. State socialism proposes that a power above the people shall regulate the relations among classes, and establish among them harmony and peace. If state socialism goes so far as to propose that the state should take upon itself the production and distribution of wealth, it contemplates still the existence of

higher and lower classes, and would transform the captains of industry into superior civil servants, still guiding and managing production. Social democracy, on the other hand, wants the administration of the economic state to be conducted democratically in such manner that it may confer substantially equal benefits upon all. A leader of German social democracy says that state socialism is a name proper only to those interferences of the state, or extensions of the functions of the state, "which aim to make an end to the class struggle between the bourgeoisie and the proletariat, and to reconcile social classes by means of a strong monarchical political power, which, standing above the classes and independent of them, gives to each one its own. This activity of the power of the state is designed to make it unnecessary, or even impossible, that the proletariat should represent and care for its own interests. The intention is rather that, full of confidence, it should commit its interests to the government."

This same writer says that state socialism presupposes, as an essential characteristic, the existence of a government independent of the masses.<sup>1</sup>

It is difficult, then, to see how, according to the leaders of social democratic thought in Germany, the expression state socialism would have any particular applicability in democratic countries. At the most, the protest against state socialism in these countries can mean that political as well as economic changes are required to bring about the socialistic ideal. It is, however, admitted by all socialists that the present state is not anywhere entirely satisfactory. If it is held that, from the standpoint of

<sup>1</sup> *Die Neue Zeit*, X. Jahrgang, II. Band, s. 706; Karl Kautsky in his article, "Vollmar und der Staatssozialismus."

socialism, there is class government in democratic countries like the United States, as well as in Germany, the question is to be asked, What is the basis of this class government, except private property in the instruments of production, and will it not disappear if private property in the instruments of production is transformed into public property in these instruments? Of course, in Germany, class government has a far broader basis.

Socialism and nationalism are two expressions which require some treatment, because the use of these two terms produces an endless amount of confusion. Nationalism, it may be said, is simply one kind of socialism; and if there is any such thing as a distinctive American socialism, it must be held to be nationalism. Nationalism contemplates, perhaps, fewer changes in the state,—using the word state in its generic sense,—than does social democracy, represented in this country by the socialistic labor party. Nationalism is, in this respect, more conservative. It proposes to use, in the main, the existing political divisions of the country, although Mr. Bellamy contemplates the wiping out of the separate commonwealths as distinct political divisions. This, however, is no necessary part of either the nationalistic or the socialistic program, and it would seem to have been a bad slip on Mr. Bellamy's part, weakening his cause. Nationalism, as it has been presented in this country, is also clear and explicit as to equality in distribution; but this can hardly be put forward as a peculiarity. Perhaps the greatest difference of all, between the socialistic labor party and nationalism, is found in the fact that nationalism does not present socialism as a class movement. The socialistic labor party makes socialism a movement of the wage-earning classes, whereas

nationalism appeals to all classes, and hopes to avoid class struggles. Nationalism has found its adherents to some considerable extent among the professional classes, and the spirit and the method with which it has conducted its agitation of socialism distinguish it from the socialistic labor party to a greater extent than differences in final program.<sup>1</sup>

Socialism is often contrasted with Christian socialism, and we frequently hear it said we must either have socialism or Christian socialism. It is to be feared, however, that the expression, Christian socialism con-

<sup>1</sup> A prominent nationalist sends the author the following statement of principles: "Nationalism is logically formulated state socialism. It completes the scheme of democracy by making the plan of political equality practicable through the institution of economic equality. It places political freedom upon its correct basis of economic freedom. It solves the problem of an equitable distribution of the industrial products which, under the capacity of modern mechanical processes, are potentially sufficient to meet the requirements of all mankind, by transferring the ownership of the instrument of production from private hands — which now operate them primarily with reference to personal profit, and only secondarily with reference to public service — to the producers themselves, thus organizing production and distribution as national functions, conducted solely with reference to the public welfare — the instrumentality of the government being what Mr. Bel-lamy has so aptly declared to be 'the hand of the people.' To attain these ends the nationalist plan is to encourage all tendencies towards augmenting the business efficiency of the community, whether national, state, or municipal. There appears to be no means of equitably apportioning the returns from industrial production among the members of the community — owing to the impossibility of determining the share to which each is entitled — on any basis of merit or effort. An equal division of the products, therefore, appears to be demanded on ethical grounds; and, as under a national organization of industry there would be ample to meet all demands for not only the necessities, but the comforts and the reasonable luxuries of life, there would be no hardship or injustice in such an apportionment. But as this is the ultimate aim, it can only be stated as an ideal, and does not form a feature of any immediate program."

veys no very clear ideas, and is such that it is not easy to define it with any accuracy. Christian socialism means many different things. One thing which it always means is a spirit of brotherly love, which, it is insisted, is an essential part of Christianity. Christian socialism means that we are invariably to make our Christianity something real and vital, and to govern our lives by it seven days in the week, and on the market, as well as in the church building. Christian socialism carries with it a protest against the sham and hypocrisy which play such large parts in the lives of professed Christians. Christian socialism, furthermore, teaches us the doctrine of social solidarity, which signifies that our interests are all intertwined, and that one cannot be truly prosperous while others suffer.<sup>1</sup> What can we say more than this about Christian socialism as a whole? If these characteristics are all we can say of Christian socialism as a whole, is it not something entirely vague and indefinite when we come to its application to economic problems? The vital question, of course, is: How shall we apply these principles of brotherhood to the world's business?

The Christian socialism of the middle of the century in England meant a co-operative commonwealth to be attained through voluntary effort. But Christian socialism sometimes means simply modern socialism plus Christianity, the implication being that Christianity of itself leads to socialism. Of course, whether Christianity does lead to socialism or not must depend upon the view which we take with respect to socialism. As has already been said, the Christian who thinks that social-

<sup>1</sup> "While one man remains base, no man can be altogether great and noble." This utterance of Margaret Fuller is entirely in the spirit of Christian socialism.

ism will bring what its adherents promise must, of course, become a socialist. But the whole question at issue is whether or not socialism is able to keep its promises. Sometimes Christian socialism means socialism with a protest against the materialism which the Marxists have most unfortunately associated with socialism. It may also have reference to methods of agitation, and mean that only those methods will meet with approval which are compatible with Christian ethics. Christian socialism would thus imply a protest against violent measures. But as socialists have generally renounced anything but peaceful, legal, and constitutional methods, Christian socialism as thus used would not carry with it anything very distinctive. It would seem, perhaps, best to drop the use of the expression Christian socialism as something which leads to confusion rather than to clearness of thought, unless, indeed, accompanying the expression, some clear explanation of it be given.

A few other distinctions require explanation to bring out current misapprehensions, and to render socialistic thought clearer by way of contrast. Socialism is often described as paternalism. Probably no objection to socialism is, in the United States, more frequently heard than that it is paternalism. This is, beyond all doubt, a misapprehension. Most of those who have used the expression paternalism employ it altogether in a loose way, which lacks definite and precise meaning. Paternalism in government is an historical conception which became important in the seventeenth century in England. The controversy between Sir Robert Filmer and the philosopher Locke was one which concerned paternalism in the true sense of the word. It was a controversy regarding the nature of sovereignty, and it did not at all concern

the extent of the functions of government. Sir Robert Filmer held that the power of sovereignty was like that of the father of the family, and was in fact derived from Adam, who was the first sovereign as well as father, and that through the patriarchs it descended to kings. Filmer's work was called "Patriarcha, or the Natural Power of Kings." Its character is indicated by the titles of the three chapters into which it is divided. These titles are as follows: Chapter I., That the First Kings were Fathers of Families; Chapter II., It is Unnatural for the People to Govern or to Choose Governors; Chapter III., Positive Laws do not Infringe the Natural and Fatherly Power of Kings.<sup>1</sup> It would seem, then, that those are historically inaccurate who use "paternalism" as if it had reference to the functions of government. They are also illogical when they use the word paternalism to describe the activity of a democratic state, because in a democracy the people themselves exercise power, and the state does not exist as something separate and distinct from them. There has become current, however, a kind of paternalism which meets with much favor on the part of many. It is the paternalism of the rich and powerful.<sup>2</sup>

There are those who look to leaders of wealth and culture to provide for the people many things which the people need. These adherents of paternalism hold that rich men should furnish the people of the United States

<sup>1</sup> Locke's "Essay on Civil Government" was a reply to *Patriarcha*; the two are printed together in Morley's *Universal Library*.

<sup>2</sup> An editorial writer in one of the leading weeklies of the United States has expressed himself favorably to the paternalism of the rich, and has given it as his opinion that the American people are willing to tolerate any amount of paternalism of this sort. It is hoped that this is not entirely correct.

with universities, with art galleries, with educational institutions of all sorts, and take the lead in every kind of social activity. The people are not to help themselves through government, but are to wait quietly until it pleases some wealthy person to give them the things which they want. It has also become customary in many parts of the country in all large business undertakings to wait upon the movements of a few leaders of large means; and the masses of the people are, in too many sections of the country, losing that enterprise and initiative which it was claimed characterized the early Americans.

Whatever other accusation we may bring against socialism as actually presented to-day by its active leaders, it is not true that it favors paternalism, either through governments or by the rich. Karl Marx early told the workingmen that they must look to themselves for emancipation, and warned them not to expect or to seek help from other classes. Socialistic agitation has laid extreme emphasis upon self-help, and the wage-earners have been estranged by the social democratic agitation from persons of wealth and social power of other kinds who could render them valuable service in their efforts to improve their conditions.

Socialism and anarchy are often confounded, although they are different enough, and, as a matter of fact, socialists and anarchists are most bitter enemies. Everywhere socialism fights anarchy, and, on the other hand, is antagonized by it. Where the one is strong, the other, as already stated, is likely to languish. Social democracy drove John Most out of Germany, and from early days has exerted itself most vigorously to keep down anything like an anarchistic movement. The weakness

of anarchy in Germany is to be attributed more largely to the efforts of the social democracy than to any other force. Anarchists, when discovered, are regularly expelled from the conventions of the social democrats in Germany, and they were expelled from the International Socialistic Convention in Brussels in 1891, and again in Zürich in 1893. So much about the facts of the case.

So far as the anarchistic theory is concerned it may be said that it desires the co-operative commonwealth to be attained by the abolition of all government. It resists authority as the chief evil. It holds that the co-operative commonwealth would spontaneously come into existence, if it were not possible, through government, for one man to exercise authority over another man. This anticipation the socialists look upon as utopian, and they dread above everything the anarchistic agitation against existing governments. The anarchists refrain from participation in government, and seek its overthrow; while the socialists take part in the existing governments, and seek to accomplish their ends by constitutional and legal measures. One moves in one direction and the other in the opposite direction; and it is not strange that the socialistic labor party not long ago published a tract entitled, "Anarchy and Socialism Antagonistic Opposites."<sup>1</sup>

Socialism may be contrasted with voluntary co-operation, especially as presented by the early English Christian Socialists; that is, Ludlow, Hughes, Vansittart Neale, Charles Kingsley, and others. Co-operation, as a scheme of social reconstruction, seeks the co-operative commonwealth; but it hopes to attain this in the main

<sup>1</sup> The Fabian Society has recently published a tract called "The Impossibilities of Anarchism."

without the aid of government, and hopes that using institutions as they exist, by industry and thrift the workers may acquire the instruments of production and organize production themselves, carrying it on at their own risk. It has been hoped that co-operative undertaking would follow co-operative undertaking, until all industry should be absorbed, and the workers should enjoy the benefits resulting from ownership of land and capital, and from the management of business. The adherents of voluntary co-operation, who, it must be acknowledged, are not now very numerous, like the anarchists, do not propose to establish a co-operative commonwealth through government, but through voluntary efforts; but, on the other hand, they do not antagonize existing institutions and governments as hostile to their plans.

Land nationalization, so much discussed, is simply one plank in the platform of the socialists, and socialists only antagonize it when it is presented as something complete and sufficient. The single tax, however, which is the expression used to indicate the plans of Mr. Henry George and his followers, is still farther removed from socialism. What the single tax proposes in itself, as we have already seen, is to tax out of land the value which is due to social effort; to deduct the value of the land itself as distinct from improvements on the land, but to leave the cultivation and other utilization of land to private effort. The recent development of the single taxers in the United States has been in the direction of individualism; but elsewhere, as in Australia and New Zealand, it appears that the single tax has been combined with other measures to which the socialists could give approval, and that it has not in these countries assumed

the anti-socialistic cast which it has at present in the United States.

Socialism, finally, must be contrasted with social reform. The two often favor similar measures, and are confounded by loose observers; but the more carefully one looks into them, the greater appears the difference. Socialists themselves have come to see this; but it has not been so generally perceived by the more pronounced opponents of socialism. Social reform has been called by a German writer "Positivism," to indicate its positive constructive nature. It does not hold that an entire social reconstruction is necessary, but believes that much which has been done in the past, and is incorporated in the existing society, is very good; and it proposes the careful development and improvement of existing institutions. Social reform does not find any one panacea for social evils, but holds that remedies are numerous, because society is many-sided and complex. Social reform views with favor what socialists and adherents of the panaceas generally look upon with impatience as mere patchwork. Social reform looks to the church and voluntary associations of men, as well as to the state, for further growth and improvement. Social reform is very generally willing to extend the functions of government, and is not unfrequently willing to go so far as the socialization of monopoly; but it does not see the desirability of the socialization of the entire industrial field. Social reform is conservative, and not revolutionary.

## CHAPTER X.

## THE LITERATURE OF SOCIALISM.

THE writings of socialists of recognized standing are the primary sources of information concerning socialism. Modern socialism exists nowhere in actual practice, and consequently we cannot study socialism in action. We may observe, on the one hand, certain forces actually at work in society which throw some light on the industrial reconstruction proposed by socialism, and, on the other, we can direct our attention to the agitation of socialists which aims to bring about the realization of their aspirations. While we can derive help in understanding the nature of socialism from existing social tendencies, and from an examination of socialistic agitation, the works written by socialists can alone give us full and complete information at first hand. There are certain men who are acknowledged to be socialist leaders, and there are books which are recognized by socialists as correct expositions of socialism. The spoken utterances of socialists and their writings are decisive concerning modern socialism. The careful student will wish to go to the original sources of information.

The chief writer of modern socialism is unquestionably Karl Marx, and his principal work is "Das Kapital," frequently called "the Bible of socialism." The position which Marx occupies is also illustrated by the statement of a socialist that "socialism is a religion and Marx is its Luther." One volume of Marx's "Kapital"

was published before his death, and the second was prepared for publication after his death, from his manuscripts, by his friend, Friedrich Engels; the third volume, likewise prepared by this friend, is expected to appear soon. Karl Marx is regarded, even by many who are not socialists, as one of the greatest thinkers of the century, and few others have influenced the development of economic thought as he has. His work is largely a chain of deductive reasoning, and is difficult reading, but it must be mastered by him who would thoroughly understand what the socialism of to-day is. Marx, unfortunately, attached to socialism certain things which do not belong to it as an industrial system, for he made socialism a philosophy of every department of social life. This is a natural consequence of his materialistic conception of history, to which reference has already been made. Unfortunately his followers in Germany and other countries have not yet been able to emancipate themselves from his materialistic conception of history as a natural evolution determined by economic conditions. Socialism, to the strict Marxist, means a conception of religion, of literature, and of science, as well as of an economic philosophy. It is thus that socialism, in countries like Germany, has raised needless antagonism, because it has seemed to be opposed to Christianity and to many received institutions which have no necessary direct connection with industry. Nevertheless, Marx must be studied carefully, even to understand the socialism of those who reject his materialism and all that goes with it. It is true that in socialism Karl Marx occupies a position like that of Adam Smith in the history of political economy, all going before him in a manner preparing the way for him, and all coming after taking him for a starting-point.

The first volume of "Das Kapital," which is in a measure complete in itself, has been translated into English by Mr. William Moore, a friend of Marx, and by Dr. Edward Aveling, Marx's son-in-law. The translation has been edited by Friedrich Engels, and it may be taken to be a faithful rendering of the original.

Many expositions of Marx's views have been published, but perhaps the two most noteworthy are "The Student's Marx," by Dr. Aveling, and "Karl Marx' Oekonomische Lehren," by Karl Kautsky. It is noteworthy that Dr. Aveling has also prepared a work called "The Student's Darwin," because this is an illustration of the fact that the German socialist assigns a position in social science to Karl Marx like that which Charles Darwin holds in natural science. Dr. Aveling, however, who is a specialist in natural science, does not hesitate to assign a higher position to Marx. The following words are taken from Dr. Aveling's preface :

"Marx was more universal. Darwin was a man given up to biological, or at the most, scientific work in the restricted sense of the word. Marx was, on the other hand, master in the fullest sense, not only of his special subject, but of all branches of science, of seven or eight different languages, of the literature of Europe. He knew and loved all forms of art—poetry and the drama most of all. . . . Another difference between the two men, with the advantage on the side of the economic philosopher, is that he was not only a philosopher, but a man of action. Marx was an active leader of men and of organizations. Thousands of workers of both sexes and of all lands, who may never read a line of his philosophic writings, know him and love him as a practical revolutionist who, more than any other, helped to make the working-class revolt of the nineteenth century, and who as long as he lived took an active and informing part in it."<sup>1</sup>

<sup>1</sup> Pages ix., x.

Friedrich Engels is, next to Marx, the most important man in the history of German social democracy. While he generously ascribed the chief originality in the socialistic philosophy to Marx, it is held by some of his friends that he is the more systematic thinker. Marx and Engels, however, worked together, and it is probably impossible to tell just what each one may owe to the other. The *Manifesto of the communist party*, issued in 1847, is their joint product and is one of the chief original documents in the history of modern socialism.<sup>1</sup>

The principal works of Engels are: "Lage der arbeitenden Klasse in England, in 1844," published in England in 1845, two years before the *Manifesto* was issued. This work has been translated by Mrs. Florence Kelley with an appendix written in 1886 and a preface in 1887, and it was published in the latter year.<sup>2</sup> The second is, "Entwickelung des Sozialismus von der Utopie zur Wissenschaft," translated into English and published under the title, "Socialism, Utopian and Scientific."<sup>3</sup> The third is "Ursprung der Familie, des Privateigenthums und des Staates."

August Bebel, one of the two great political leaders of the German social democracy at the present day, has written a work which forms an important part of the literature of German socialism. It is called "Die Frau und der Sozialismus."<sup>4</sup> An early edition of this work

<sup>1</sup> An English translation, edited and annotated by Friedrich Engels in 1888, is published by the New York Labor News Co., 64 East Fourth street, New York, and by William Reeves, London, 1888.

<sup>2</sup> New York, John W. Lovell & Co. It has also been published in England by William Reeves, London.

<sup>3</sup> Sonnenschein, London, 1892.

<sup>4</sup> Stuttgart, 1891.

has been translated under the title, "Woman in the Past, Present, and Future."<sup>1</sup>

The works named, if carefully studied, will give one a very correct knowledge of the fundamental principles of German socialism; but one who would understand it fully as it exists to-day would do well to read the clear and concise exposition of the present platform or program of German social democracy by Karl Kautsky. It is called "Das Erfurter Programm."<sup>2</sup>

*Die Neue Zeit*, a weekly magazine of scientific socialism, will be found helpful to anyone who wishes to go into minute details, and to follow the progress of the movement, especially so far as its theoretical aspects are concerned. *Der Vorwärts* is the chief daily organ of the social democratic party, and gives particular details of the agitation.

A professor in the law school of the University of Vienna, Dr. Anton Menger, has written works which are of importance in modern socialism, especially because they view socialism from the legal standpoint. Attention is called to the two following treatises by Dr. Menger: "Das Recht auf den vollen Arbeitsertrag,"<sup>3</sup> and "Die besitzlosen Volksklassen."<sup>4</sup>

There are two other writers who are of great importance to those who would understand the evolution of socialistic thought in Germany, although their works are not received as authority by the social democratic party. The first is Karl Rodbertus, often called Rodbertus-Jagetzow, a man

<sup>1</sup> Published in New York by John W. Lovell & Co., 1886, and in England by the Modern Press, London, 1885.

<sup>2</sup> Stuttgart, J. H. W. Dietz, 1892.

<sup>3</sup> Second revised edition, Stuttgart, 1891.

<sup>4</sup> Second corrected edition, Tübingen, 1890.

of conservative tendencies, who is regarded as one of the leaders of the state socialists. There can be little doubt, however, that the active socialists of Germany and of other countries have been influenced directly by his writings, the principal one of which is "Zur Beleuchtung der Sozialen Frage," but "Das Kapital" may also be mentioned. The other writer is Ferdinand Lassalle, who, unlike Rodbertus, entered actively into the working-class agitation. Ferdinand Lassalle played an important part in the formation of a working-class party in Germany, but what was peculiar in his thought and his methods has finally been rejected by the social democratic party, which, nevertheless, holds him in honor. A complete collection of his writings has been prepared under the auspices of the party, and edited by one of its leaders, namely, Eduard Bernstein, and published in three volumes in Berlin in 1892, with the title, "Reden und Schriften." This edition is accompanied by notes and an introductory essay upon "Lasalle and His Significance for the Social Democracy." This essay and the notes are especially instructive, because they show the difference between the earlier and the present socialistic thought and agitation in Germany.

French writers seem not to have added much that is essential to the theory of socialism. They may have adapted it better to French conditions and French thought in working it over, but one who is looking for new principles or new measures will scarcely find them in French works. French writers are often inclined to lay special emphasis upon the development of local self-government, but this can scarcely be called a peculiar feature. Among active French socialist authors, we may mention the son-in-law of Marx, Lafargue, who has writ-

ten a work on "The Evolution of Property," which has been translated into English and into German.<sup>1</sup>

Two French socialist authors of note, recently deceased, are César de Paepe and Benoit Malon, whose most important theoretical work is, perhaps, "Socialisme Integral." The most important source of information in regard to French socialistic thought is found, however, in the monthly magazine, *La Revue Socialiste*, which has appeared since 1885.

The thought of Marx was early presented to readers in all countries and in all languages by many different authors. Mr. H. M. Hyndman, for example, wrote a work, "The Historical Basis of Socialism in England,"<sup>2</sup> published in 1883; and Laurence Gronlund wrote "The Co-operative Commonwealth," in 1884,<sup>3</sup> in which he professed to present German socialism as it appeared after it had passed through the mind of one who had learned to think and feel as an American. These works appeared before socialism had gained much headway, either in England or in the United States. They have influenced socialism in these two countries, and are still important.

English socialism, as presented by the Fabians in the "Fabian Essays in Socialism,"<sup>4</sup> has become emancipated from the materialistic philosophy of Karl Marx, which, as essentially un-English as well as un-American, could not fail to prove a great obstacle to the growth of socialism among the English-speaking nations. The "Fabian Essays in Socialism" give us a genuine English social-

<sup>1</sup> The English edition is published in Sonnenschein's Social Science Series.

<sup>2</sup> Kegan Paul, London, Publisher. <sup>3</sup> Lee & Shepard, Boston.

<sup>4</sup> Published by the Fabian Society, 276 Strand, London, and by the Humboldt Publishing Co., New York.

ism, practical, straight-forward, divorced from excrescences which have no connection with socialism as an industrial system. The "Fabian Tracts"<sup>1</sup> are also important sources of information concerning English socialistic thought and action. Mr. Sidney Webb's "Socialism in England"<sup>2</sup> belongs to this same school of socialism and must not be overlooked by the careful student. The periodical organ of the Fabians is called *Fabian News*.<sup>3</sup>

The Social Democratic Federation is the only socialistic party in England, besides the Fabians, working on a national scale. Mr. Hyndman is one of its leaders, and, in addition to the work of his already mentioned, there may be added, "The Commercial Crises of the Nineteenth Century."<sup>4</sup> The organ of this party is *Jus-*

<sup>1</sup> Published by the Fabian Society, and can be had either separately or in bound form.

<sup>2</sup> In Sonnenschein's Social Science Series, Second Edition, 1893.

<sup>3</sup> The following quotation from a letter, written by one who is well acquainted with the facts of the case, shows the number of channels through which socialism reaches the English newspaper reading public: "With regard to the three papers, the Chronicle, the Sun, and the Star, copies of which I sent you, I am afraid those individual numbers contained little indication of their collectivism. I will try to send you other copies which contain clearer indications of the lines they adopt. All three are, of course, out-and-out supporters of the Progressive Party in London, and a Progressive is of necessity a practical socialist, since the Program adopted by their party is that set forth in Webb's London Program. Hence we view with considerable satisfaction the appointment of Lord Rosebery as Premier, as he is an undoubted member of the Progressive Party, and, as you will have noticed, has consented to receive an address from the party in a few days at St. James's Hall, when he will make a public declaration on London affairs. The other papers referred to are mostly rather obscure ones, and bring out their socialism in a somewhat indirect fashion. Probably fifty or sixty members of the Fabian Society are editors or journalists of one sort or another, and they let no opportunity slip of working in their ideas."

<sup>4</sup> Sonnenschein's Social Science Series, London.

tice,<sup>1</sup> at present in its eleventh year. The party has also issued a series of social democratic tracts.<sup>2</sup>

The works of T. Kirkup, an English author, deserve mention. They are, "An Inquiry into Socialism"<sup>3</sup> and a "History of Socialism."<sup>4</sup> The significance of these books lies in the fact that they give statements of socialism which seem, to the author of the present work, to be as conservative as socialism possibly can be.

Mr. Bellamy's "Looking Backward" and his organ, *The New Nation*, which has recently ceased to appear, constitute the chief sources of information concerning American nationalism. *The People* is the English organ of the socialistic labor party, and that, with the German socialistic periodical, *Die Volks-Zeitung*, gives full information concerning the movements of that wing of socialism in the United States which is represented by this party.

We have already seen that Christian socialism is something with varied and indefinite meaning; but the literature which is described under that designation is important to the student of socialism, because it reveals the ideas of at least a section of the church with respect to the social questions of the day, and also to socialism itself. Perhaps one of the best works, giving one a tolerably correct picture of that somewhat vague and elusive spirit called Christian socialism, is Miss Katharine Pearson Woods's interesting novel, "Metzerott, Shoemaker."<sup>5</sup> Another American work which is thought by some to give the best statement of Christian socialism in

<sup>1</sup> Published in London by H. Quelch, 37a Clerkenwell Green, E.C.

<sup>2</sup> These can also be obtained from the office of *Justice*.

<sup>3</sup> London, Longmans, Green, & Co., 1887.

<sup>4</sup> London and Edinburgh, Adam and Charles Black, 1892.

<sup>5</sup> T. Y. Crowell & Co., Boston and New York.

its modern applications is, "Socialism from Genesis to Revelation," by the Rev. F. M. Sprague. The Rev. Alfred Barry's "Christianity and Socialism" is also a noteworthy book in this connection.<sup>1</sup> An address on socialism, delivered before the Hull Church Congress in 1892, by the Rev. Dr. B. F. Westcott, Bishop of Durham, should not be overlooked.<sup>2</sup> Most important of all, to those who would keep pace with socialism, is *The Economic Review*, published quarterly at Oxford by the Christian Social Union. Dr. Stewart Headlam's monthly periodical, *The Church Reformer*, is also an exponent of certain Christian socialist tendencies.<sup>3</sup> The organ of Christian socialism in the United States is *The Dawn*, edited by the Rev. W. D. P. Bliss, and published by the editor at Roslindale, Mass.

Protestant German Christian socialism has had two periods of activity. The first centred about the persons of Pastor Rudolph Todt and Court Pastor Adolf Stoecker, and was, to some considerable extent, the product of the former's celebrated work called, "Radical German Socialism and Christian Society" (*Der radikale deutsche Sozialismus und die christliche Gesellschaft*, 1877). Court Pastor Stoecker has given an excellent exposition of his views in his collected "Addresses and Essays."<sup>4</sup> The second period was the product of the awakening due more largely than to any other work, to Paul Göhre's remarkable work, "Three Months a Factory Hand," to which reference has already been made. The centre

<sup>1</sup> Cassell, London, 1890.

<sup>2</sup> Printed as an appendix to Rev. P. W. Sprague's Christian Socialism, and also published separately by W. Reeves, London, 1890.

<sup>3</sup> Published by William Reeves, 185 Fleet St., London, E. C.

<sup>4</sup> Published under the title, "Christlich-Sozial," Bielefeld and Leipsic, Velhagen & Klasing, 1885.

of this new activity is found in the annual gatherings of the Evangelical Social Congress, and the reports of this congress furnish information in regard to what is going forward in Germany along the lines of Christian socialism under Protestant auspices.<sup>1</sup> The monographs issued under the auspices of this Evangelical Christian Congress are also noteworthy.<sup>2</sup>

The Catholics have of late, displayed great activity in the discussion of economic questions, and in this they have been encouraged by Pope Leo XIII., the discussion recently turning largely on his encyclical upon labor. Naturally, this encyclical, as well as other authoritative utterances of the church, are variously interpreted, and the term Christian socialism is often applied to the more radical utterances by Roman Catholics dealing with the labor problem. The two most noteworthy prelates in this connection are the late Bishop von Ketteler of Mainz, and Cardinal Manning, whose activity, however, was practical rather than theoretical. The name of Cardinal Gibbons is also frequently mentioned in this connection,<sup>3</sup> and his remarkable letter upon the Knights of Labor should not be overlooked by one who would familiarize himself with the attitude of the Roman Catholic Church regarding social questions. Probably, however, the work which best deserves attention among all the treatments of social questions from the Roman Catholic standpoint, is still that one on the relation of Christianity to the labor question, written by Bishop von Ketteler, and first published in 1864.<sup>4</sup> The best concise

<sup>1</sup> See *Berichte der Evangelisch-Sozialen Kongresse*.

<sup>2</sup> Published under the title, *Evangelisch-soziale Zeitfragen*.

<sup>3</sup> Appendix XI., *Bibliography*.

<sup>4</sup> *Arbeiterfrage und das Christenthum*, 4<sup>th</sup> Auflage mit Einleitung von Windthorst.

and accurate description of Catholic thought and activity in the direction of Christian socialism, is found in an article written by Dr. Andr. Brüll, in the admirable encyclopædia of political science, edited by Professor Conrad and others.<sup>1</sup>

Works written by non-socialists about socialists give us secondary sources of information which are of importance. These works are very numerous, and only a few can be mentioned. Emile de Laveleye's "Socialism of To-day," translated with an addition upon English socialism by Mr. Orpen, is one of the most important works which belong to this class. It is the work of a liberal economist strongly animated by Christian sympathies ; but as it was written some ten years ago, it does not give an account of recent movements. Ely's "French and German Socialism" attempts to present impartially the main French and German systems up to the year 1883, when it appeared ; and in his "Labor Movement in America," the author has given a descriptive account of socialism in the United States. Graham's "Socialism Old and New," is a recent work, catholic in spirit. Rae's "Contemporary Socialism"<sup>2</sup> is a carefully prepared and scholarly work, but one which takes a more critical attitude than those already mentioned. A work entitled "A Plea for Liberty ; An Argument against Socialism and Socialistic Legislation," written by E. S. Robertson, W. Donisthorpe, George Howell, and others, with an introduction by Herbert Spencer, is a work which takes a decidedly more antagonistic spirit with

<sup>1</sup> See "Soziale Reformbestrebungen (Katholisch-Soziale)," in *Handwörterbuch der Staatswissenschaften*, published in Jena, by Gustav Fisher.

<sup>2</sup> Second edition, Sonnenschein & Co., London, 1891.

reference to socialism, and advocates extreme individualism, verging at times on anarchy. Mr. Mallock's books, "Social Equality," "Labour and the Public Welfare," and others, may be mentioned among works taking a position of antagonism to socialism, but which are popular rather than scholarly in character. Sir James Fitzjames Stephens's "Liberty, Equality, and Fraternity" is an able work which takes issue with some of the premises of liberal economics and socialism, especially as found in the writings of John Stuart Mill.

One of the most important earlier treatments of socialism is given by Dr. Rudolf Meyer in his work, "Der Emancipationskampf des vierten Standes."<sup>1</sup> Dr. Meyer wrote this book from the standpoint of an adherent of conservative German politics who took liberal economic views. It is an accurate description of the many phases of socialism, and presents liberal extracts from original documents. It impresses one as the work of a catholic and fair-minded man. Dr. Meyer has, in the present year, published a work in which he gives his impressions based upon subsequent experience. It is entitled "Der Kapitalismus fin de siècle,"<sup>2</sup> and it deserves attention.

The works of Dr. Schäffle, "The Quintessence of Socialism," and "The Impossibility of Social Democracy," both translated into English,<sup>3</sup> are especially worthy of attention. The first of the two attempts to give a correct and colorless statement of the essential ideas of socialism, while the latter criticises severely the social democracy of Germany. It has been found difficult by many to reconcile the one work with the other. Prof.

<sup>1</sup> In 2 vols., Berlin, 1874-5.    <sup>2</sup> Vienna and Leipsic, 1894.

<sup>3</sup> Sonnenschein's Social Science Series, London.

Julius Wolf of the University of Zurich, Switzerland, has written a strongly anti-socialistic book which has recently attracted considerable attention. The chief aim of it is to disprove the law of evolution, which is the main feature of the Marxist socialism.<sup>1</sup> While this book was hailed as epoch-making by the newspaper press, specialists have felt called upon to criticise it with unusual severity, as in itself inaccurate, on account of a failure to comprehend socialism, and as inexact in its statistics.

A critique of Marx's socialism, which deserves special attention, is that found in "Die Grundlagen der Karl-Marxschen Kritik," by Georg Adler.<sup>2</sup>

It can scarcely be necessary to add that all economic treatises discuss socialism at greater or less length and more or less fairly. It must be acknowledged, however, that the ordinary political economist has never taken the trouble to master the socialism which he attempts to criticise, and that the criticisms generally found in economic treatises do not go beyond truisms and catch-words, and fail altogether to reach the heart of the subject. There are numerous exceptions, fortunately, and among these exceptions special mention should be made of Dr. Adolph Wagner, who in his "Grundlegung der politischen Oekonomie,"<sup>3</sup> has given an excellent exposition of the fundamental principles at issue in the discussion of socialism.

<sup>1</sup> "Sozialismus und kapitalistische Gesellschaftsordnung." Stuttgart, 1892.

<sup>2</sup> Tübingen, 1878.

<sup>3</sup> Third edition, Leipsic, 1892.



## PART II.

*THE STRENGTH OF SOCIALISM.*



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#### CHAPTER I.

##### **INTRODUCTORY REMARKS.**

WE have now examined the nature of socialism, and we propose next to look at one side of socialism only, and endeavor to ascertain what good things may be said in its behalf. A consideration of the weakness of socialism will follow ; but it seems likely to promote clearness of thought if we separate the one from the other. When it is said that we want to ascertain what strength socialism has, it does not signify a presentation of socialism such as that which an advocate would give. An advocate groups his arguments with reference to the persuasion of those whom he hopes to reach, and he lays particular emphasis upon that which will convince his audience ; moreover, he appeals to feeling rather than to intellect, and is inclined to indulge in rhetorical flights. The purpose of the scholar who approaches a subject like socialism with perfect impartiality is quite different. He examines the subject calmly, and seeks to give due weight to all those arguments which an honest and intelligent man must admit in behalf of socialism. He does not endeavor to persuade, but simply to enlighten ; and frequently those points which would be most effective in an advocate's plea, he must reject altogether.

The strength of socialism may be considered from two standpoints. One may regard socialism in its influence upon the existing industrial order, and seek to ascertain what beneficial effects it has had, or is likely to have, upon this order, although it may not change it in its fundamental features. It is entirely legitimate to take the position that socialism in itself is not practicable, and yet has strength on account of its criticism of present society, and also on account of suggestions which it offers for reform. It may be held that socialism is a leaven needed at the present moment, although one rejects socialism itself. On the other hand, we may examine the strong features of socialism itself, considered as a system which proposes to supplant the existing social order altogether. Both standpoints must be taken to understand the full strength of socialism.

Undoubtedly one of the strongest features of socialism, considered as a plan for an entirely new industrial society, is its all-inclusiveness. Socialism is a structure of society which takes in all; it leaves no residuum, no "submerged tenth." This all-inclusiveness of socialism appeals strongly to those who have been discouraged by the patchwork and piecemeal character of other social reforms. Take "trades unionism," for example: it has benefited great masses of men, but it always leaves behind a wretched class of unorganized wage-earners; and even should it attain its impossible ideal of complete organization of wage-earners, it would still leave behind the most wretched of all; namely, the dependent and delinquent classes. Take charity organization in all its various forms: it endeavors to minister to the dependent classes, taking them one by one; but it leaves unreached a disheartening number of needy and worthy cases. In fact,

those whom one would most like to help are precisely those most generally passed over by charity organization. The same holds true with respect to all private efforts to aid individual cases. Private effort to reach the needy one by one, so resembles pouring water into a sieve, that many turn from it in despair. Socialism follows the method of Aristotle, and proceeds from the whole to the part. Its very structure is such that none are left out, but ample room is found for the cripple as well as for the athlete, for the weak and feeble as well as for the strong and powerful.

## CHAPTER II.

## THE STRENGTH OF SOCIALISM AS A SCHEME OF PRODUCTION.

WHILE socialism originates in a desire to bring about justice in distribution, it lays great weight on the possibilities of increased production of wealth, which it promises. Socialism reproaches present society, not only with its very unequal distribution of wealth actually produced, but with its small production of wealth. Its adherents claim that but a fractional part of the wealth which could be created is actually produced for the satisfaction of human needs. This is well brought out in a passage in Mr. Bellamy's "Looking Backward," in which Dr. Leete says to Mr. West: —

"I suppose that no reflection would have cut the men of your wealth-worshipping century more keenly than the suggestion that they did not know how to make money. . . . Selfishness was their only science, and, in industrial production, selfishness is suicide."

The first strong point which socialism makes with respect to wealth-creation, is that which provides for the suppression of the wastes of competition. There can be no doubt that this is a valid argument. As socialism proposes the abolition of the present competitive society, it must necessarily do away with the wastes of competition in the abolition of competition. Whether or not it brings evils, as great or greater, in the place of these

wastes, is an entirely different question, which does not concern us at present.

None can say how great the wastes of competition are, but a few illustrations are sufficient to show that they are enormous. Railways in the United States afford the best illustration. The moment we begin reflecting upon wastes in the railway business, we are able to give concrete instances running up into the hundreds of millions of dollars. The railway lines paralleling the New York Central & Hudson River Railway, and the Lake Shore & Michigan Southern, from New York City to Chicago, afford one of the best-known examples of waste in railway construction. These lines were built to compete with the older lines mentioned; but, as is always the case in such instances, the competing lines consolidated. The purpose for which they were built was not accomplished, and the expenditure involved in their construction was a national loss. It has been estimated that these lines cost two hundred millions of dollars, which would be a sum sufficient to construct homes for one million people, if we allow a thousand dollars to a dwelling for a family of five; and this is probably more than the average cost of the houses of the people of the United States, taking city and country together. We see, then, that one single item in our count is a matter of national concern; but when we have mentioned the waste in construction, we have only made a beginning in the total loss involved in the construction of needless railway lines. The maintenance of the useless lines, and their continued operation, involve perpetual loss. Every station on the parallel line involves waste. Every station-agent is a source of expense, and every needless train run adds to the waste. It is not denied that the parallel railway lines offer some

slight accommodation, and therefore service, to the public. The new parallel line will, for example, generally run through a different part of the city, and it is not improbable that the time-table of the new parallel line will be different from that of the older company, so that in this way a variety of trains is offered. At the same time, the expense is mostly waste, because a relatively small additional expenditure on the part of the old company would offer still better accommodations. We have, also, not only to consider the convenience of having stations in the different parts of the city, but the great inconvenience which results from having different stations in the city, the greater risk to travellers on the highway, and the disfigurement of the city, which is always involved in a railway line. Now, what has taken place in the case of the West Shore and the Nickel Plate, between New York and Chicago, has occurred all over the United States; and the total loss must amount to more than a thousand millions of dollars, if we consider only the first cost. If we consider the subsequent expenditure involved, it becomes truly enormous,—a loss like that brought upon a nation by a great war. It is said by a railway manager, that even now it would involve an annual saving of two hundred millions of dollars if the railways of the United States were managed as a unit. If we divide the sum by two, in order that our estimate may be a conservative one, and capitalize it at four per cent, we have a capital loss of two thousand five hundred millions of dollars. It is useless to attempt any precise estimate, but it may not be an extravagant estimate if we claim that the loss due to competition in the railway business in the United States, from the beginning of our railway history up to the

present, has been sufficient to furnish all the people of the United States with comfortable dwellings, provided that all the houses now in the United States should be destroyed. Socialism, then, makes a very strong point when it shows that a waste of this kind would be abolished with the abolition of the competitive system.

The experience of England and the United States, the only two great countries which have tried the competitive system in the telegraph business, is most instructive. It is claimed that the capitalization of the telegraphs of the United States, large as it is, does not exceed the amount of capital which has been actually invested, and this estimate would not seem to be an exaggeration, when we bear in mind the fact that, a little over a generation ago, it took a page of an almanac simply to enumerate the companies which existed in this country. The Western Union, which is the principal company, and which has been the concern to swallow the others, is capitalized at \$100,000,000. If we leave out of consideration any other company or companies existing at present, and deduct from the \$100,000,000 the \$20,000,000 which it is estimated would be sufficient to duplicate the plant, we should have a loss of \$80,000,000. This, however, is but a fractional part of the total loss, because we must take into account the needless expense involved in operating the plants which have been ultimately absorbed. No one can tell what the total loss is, but certainly \$100,000,000 is an underestimate. England tried the competitive system in the telegraph business until about the year 1870, when she became convinced that competition in this line of business, at any rate, was a mistake, and purchased the telegraph, making it a part of the postal system. Now, the capital

invested in the telegraph had grown to such enormous proportions, owing to the number of companies which had been engaged in business, and which had all been absorbed at last by one company, that it cost England nearly as much to make the telegraph a part of the post-office as it did all the other countries of Europe put together, because in these the telegraph had been from the beginning a part of the post-office, and the wastes of competition had been avoided.

Gas works offer, in some respects, a better illustration of the wastes of competition even than railways. The loss in the country's industry is not so great, but the business itself is simpler, and the outcome of attempted competition can be the more readily seen. A development which requires decades in railway business, is accomplished in years in the gas business. Rival gas works in a city always consolidate, and monopoly is the inevitable outcome of competition, and loss to the city attempting competition will be equal to the capital wasted in all the unsuccessful attempts which have been made to establish competition in gas supply. While there may be some incidental gains, these will be more than off-set by losses which can be enumerated in dollars and cents. A great deal of disease and death may be traced to a needless tearing up of the streets in cities by rival companies, and disease and death are serious waste.

If we take a single city like Baltimore, and try to ascertain the loss due to the existence of competitive gas companies, we can form in our minds some kind of an idea how enormous the waste during a generation must have been, when we remember that what has happened in Baltimore has happened in nearly all great American cities. There have existed in Baltimore at

one time and another, five or six different gas companies; each one has promised the people of Baltimore the alleged benefits of competition, and then, after a gas war, has consolidated with the old company. There is now in Baltimore one company, called "The Consolidated Gas Company," with a capital of \$18,000,000, including bonds. Probably it is safe to estimate the difference between the capitalization of this company and what it would cost to duplicate this plant, as waste due to the competitive system. It is said that the plant could be duplicated for less than \$5,000,000; but if we deduct \$5,000,000 and then \$3,000,000 more, so as to make our estimate an extremely conservative one, we still have a waste in this one city of \$10,000,000.

The milk business is often adduced by socialists as an example of the waste due to competition. In each city, every company or individual engaged in the milk business supplies people in every part of the city, and the streets of each city are traversed by a large number of milk wagons. The distribution of milk in the city may be contrasted with the distribution of mail. The delivery of the mail is so organized that each mail carrier has a given district assigned to him, and he carries the mail to all persons in his own district. The delivery of milk might be compared to a delivery of letters and newspapers without any system. Let us suppose, in a city like Philadelphia, all the mail, on arrival, was simply put in a heap, and each mail carrier should take up an armful for distribution; it is manifest that it would take very many times the force which it now requires to distribute the mail, because each mail carrier would have to run all over the city, and a dozen mail carriers would traverse each street.

Advertising exists for two purposes: one is to convey information, and the other is to acquire a business, to hold one's business, or to take business away from others. Advertising is like war, and is, indeed, one of the aspects of industrial conflict. The increasing expenses due to advertising may be compared to the increasing expenses due to standing armies in Europe. But a small fractional part of what is paid out for advertising is expenditure for the sake of conveying useful information. The greater part of it is necessitated by the advertising of one's rivals. The grocer A spends a thousand dollars a year in advertising of one sort and another, and his rival, grocer B, spends the same to keep his business. Then grocer A the next year, being what is called an enterprising man, spends fifteen hundred dollars, and grocer B spends two thousand dollars. Let the reader reflect upon the enormous expenditures of rival soap manufacturers, of which no part worthy of mention is employed to convey useful information. To conquer new territory, or to hold its own against the attacks of rivals, each one of several great companies spends enormous amounts, which can scarcely fail to run up into the hundreds of thousands of dollars. We can see an increase in the expenditures for advertising of one sort and another, and the absorption of a considerable talent and ingenuity in the discovery of new and improved ways of advertising, which resemble the growing expense of the armies of France and Germany, and the absorption of talent and enterprise to discover new ways of killing men. Of course it will not be claimed that the economic loss of advertising is anything like the economic loss due to standing armies, and yet it is by no means insignificant. A student<sup>1</sup> who has investigated the subject perhaps as

<sup>1</sup> Mr. P. M. Magnusson.

carefully as any one, and the result of whose labors it is to be hoped will, at a not distant day, be given to the world, estimated the expenses of advertising in this country at five hundred millions of dollars a year, of which five millions would be ample to convey all the useful information given by this advertising. Of course all this expenditure is not total loss; a part of it is saved by those to whom it is paid. What we have to consider from a social standpoint, is capital and labor used up, which leave behind no real utility. If A transfers to B a thousand dollars, society, as a whole, is neither richer nor poorer. That does not represent social waste. But if A spends a whole day in work which accomplishes nothing, or B consumes to no purpose type and paper, we have a real social loss. Economic energy, which might have been so employed as to benefit human beings, has been simply wasted. Now, a part of what is expended for advertising represents simply a transfer of wealth from one section of the community to another; and some may be inclined to hold that the estimate itself of expenditure is a large one. Should we, however, in order to ascertain the social loss, feel obliged to divide the estimate of five hundred millions by five, we would still have a loss of one hundred millions of dollars, which, from the standpoint of society, is by no means insignificant.

The reader can continue for himself illustrations of this kind. Travelling salesmen will readily occur as an illustration of large expenditure, which is, to no inconsiderable extent, waste due to competition. Of course this waste is allied to the waste of advertising.

Socialists call the present production planless, in contrasting production as a whole with the organized system

of a single great factory. They propose to substitute for present planlessness of production at large, regular, orderly, systematic production. This is a very strong point in the program of socialism, and the gains resulting therefrom would be many. Not the least important of these would be the limitation of the chance element in production. The chance element is characteristic, either of production on a small scale, or production imperfectly organized. When we have to do with large masses of social phenomena, or with productive forces working on a vast scale, the chance element is reduced to such low terms that it may be almost said to disappear. No better illustration of this general rule can be offered than human mortality. What is more uncertain than death, when we have regard to the death of a single individual? Its uncertainty has been proverbial from time immemorial. No one can tell whether you or I will be alive next year, next month, or even to-morrow, yet uncertainty in regard to life and death disappears when we deal with large numbers of human beings. We can indeed tell how many among ten millions of people will be alive a year from to-day, a month from to-day, or even to-morrow, so great is the regularity with which death occurs among large masses of human beings. This regularity is sufficient to enable us to build upon it one of the largest businesses of modern times; namely, life insurance, which, when intelligently conducted, by no means involves more than an average risk; on the contrary, rather less than average business risk. Thus it is with production. When we consider a single farmer growing wheat in Minnesota, or a planter raising corn in Virginia, the chance element is prominent. Drought may destroy the wheat crop in Minnesota, and flood

the corn crop in Virginia. Yet, when we take the country as a whole, the fluctuations due to changes in seasons and other causes are reduced to low terms. If the wheat crop is deficient in one part of the country, it is likely to be abundant elsewhere, and a general average maintained. The same is true with respect to other crops. The larger the scale on which production is organized, the less the risk, because irregularities in one direction or the other are more likely to balance one another. The reader's imagination will enable him to supply illustrations without limit.

When the chance element visits one adversely time after time, human energy suffers impairment, and at times becomes almost paralyzed. Every one has seen numerous illustrations of the frequent effect of repeated but undeserved misfortune.

The present planlessness of production may be viewed from still another standpoint. At the present time the wheat grower produces for an uncertain, capricious market, and his destiny is only to an inconsiderable extent within his own control. Farmer A observes that the price of wheat has been high for two or three years, and he thinks that wheat is a good crop to raise. He begins to cultivate wheat on a large scale, but he does not know what rival producers are doing or are going to do. Farmer B and Farmer C and thousands of others have made the same observation, and they all begin growing wheat. The result is a large over-production of wheat, and loss to the producers. Farmer A then decides that he will give up wheat and try sheep-raising, because mutton and wool have for some time been high; but thousands of other farmers have at the same time come to this conclusion, and sheep-raising is carried too far.

Mutton and wool fall in price, and again there is loss to individuals, and a loss to society as a whole, because economic energy has not been most advantageously expended. The writer has concrete instances in mind. One of them is grape culture; the farmers along the shore of Lake Erie, in western New York, have observed that it is profitable to grow table grapes; and between Dunkirk in New York and Erie in Pennsylvania, the country is beginning to assume the appearance of a continuous vineyard. Who can tell what the results will be? These growers are able to make only an uncertain estimate of demand, and still more unable are they to estimate the probable supply of grapes throughout the country. Here we have a very large expenditure, continuing through years with uncertain results. Many similar illustrations might be given, if we should turn our attention to manufacturing industries and professional occupations, which afford instances enough of misapplied force, due to a failure to estimate correctly supply and demand.

We may say, indeed, that the producers are playing at hide and seek with supply and demand, and no one can tell what the outcome of the game will be. The socialist makes a strong point when he bids us contrast with this planlessness of production, resulting in large loss and immense human suffering, the regular, orderly, systematic production which he advocates. He proposes to ascertain demand, and organize the forces of production as a unit to meet this demand, but to produce no more than is needed. It can be told in advance, with an approximation to accuracy, how many bushels of wheat will be needed in the United States the coming year; and with a like approximation to accuracy, it may be told how many acres of wheat will supply this need.

Wastes by mistaken undertakings are a necessary feature of the present competitive order of society ; but they might be expected to be largely reduced under socialism. This is closely connected with what has preceded, and becomes sufficiently obvious upon reflection. What is more uncertain than the result of a new telegraph company or railway company in the United States ? The uncertainty is great on account of the presence of competition. If we turn our attention, however, to a country like Germany, where there is no competition in telegraphing or in the railway industry, because both are government enterprises, we shall find that it is easy to tell in advance very nearly what will be the result of an extension of the telegraph or the railways. It is possible to take into account very nearly all the elements involved in the calculation, both businesses becoming relatively simple the moment the competitive element is removed, although, with this element present, they are extremely complicated. The same holds, although in less degree, with respect to manufactures and mercantile undertakings. It has been claimed that nine-tenths of the men who go into business in the United States fail, and each failure represents a loss of capital and of human energy. Even if, to be on the conservative side in our estimate, we reduce the estimated number of failures by one half, we still have a loss which, in the aggregate, is enormous.

Another claim of socialism is one which, at a time like the present, is peculiarly effective. It is maintained that the wastes from crises and industrial depressions will disappear ; and this claim is well founded, because crises and industrial depressions are part and parcel of the competitive system of industry, and would cease to

afflict society with the abolition of the competitive system. Perhaps we here touch upon that loss which is chief among all those due to a competitive industrial order, and it may be that a description of the evils incident to crises and industrial depressions is as severe an indictment of present society as can be brought against it. The losses in a single year of industrial crises, and consequent industrial stagnation, amount to hundreds of millions of dollars, and involve untold misery to millions of human beings. Capital is idle; labor is unemployed; the production of wealth ceases; want and even starvation come to thousands; marriages decrease; separations, divorces, and prostitution increase in alarming proportions; and all this happens because the machinery of the industrial system has been thrown out of gear by the operation of some force or another, which, so far as we can judge from experience, is an essential part of the order of competition.

It follows naturally enough from what has preceded, that the waste due to idle labor and idle capital might be expected to cease; production would be carried on for the satisfaction of wants, and so long as wants remained there would be no reason why all labor and all capital should not be employed.

It may fairly be claimed that socialism would promote the full utilization of existing inventions and industrial discoveries. It may not be so clear that socialism would surpass present society in new inventions and industrial discoveries, but there could not well be any opposition to the utilization of those already in existence. On account of the unification and harmony of interests established in society, there would necessarily be a general desire to produce material wealth socially required

with the smallest expenditure of economic energy. At the present time, on the other hand, there are important classes in the community who resist the utilization of improved machines and methods. The explanation is, that these classes either actually would suffer, or they think they would suffer, from that which would be a gain to society as a whole. We have, on the one hand, the wage-earners, who often object to new and better machinery and improved processes, because they think the result to them would be either lower wages or entire loss of work; on the other, the opposition of capital to like improvements, involving serious change and outlay, whenever capital has anything like a monopoly.

All are familiar with the destruction of machinery by factory operatives in England early in this century; and while some may entertain exaggerated views of the extent to which wage-earners oppose improvement, there can be no doubt but this opposition is a real force, and that it has to a greater or less degree retarded industrial progress. Undoubtedly, wage-earners have generally been mistaken in the amount of injury which they have anticipated from new inventions and methods; but it is unquestionable that many of them have suffered temporarily, and some of them permanently. One effect of improvement is to render previous skill of no consequence, and to relegate once skilled artisans to the ranks of unskilled labor. Quite likely society may gain, but the individual suffers; and who can help feeling that it is unjust to concentrate the sacrifice of social change upon one, or even upon a few? It has, indeed, been proposed by those not socialists, that an indemnity should be granted to individuals who suffer on account of industrial improvements, in order that the burden involved in

a transition from an inferior to a superior industrial process should be divided among society as a whole, and not concentrated upon a few. Manifestly, the difficulties involved in carrying out this idea under our present social system are immense, although the idea itself is a good one. The entire question disappears as a problem under socialism. Let us take the case of a communistic settlement like those which exist in different parts of the United States. Can any ground exist in such a community for opposition to improvement in tools or industrial methods? Let us suppose that some member of the community has gained great skill in performing certain operations by hand,—type-setting, for example,—and that an invention is made in the community by the use of which it is possible for a child easily to perform this operation. Can the one who has acquired the skill object? Scarcely: although his skill is no longer of any use to him, he shares with the rest of the community in the advantages gained by the improvement; whereas, if by a system of socialism his interests were not identical with theirs, they would gain the advantage, and he might suffer loss through a reduction in wages. What would be true in a small communistic settlement, would be true in society at large, under socialism.

It has just been stated that it is not so clear that socialism would lead to new inventions and discoveries, as it is that it would promote the utilization of those already in existence. One exception must be made. It can hardly be questioned that under socialism the inventive powers of men would be stimulated to provide machinery to do disagreeable work, and to render work now disagreeable as agreeable as possible. The inven-

tive power of man now aims to increase the earnings of capital, and not chiefly to render the task of the toiler as light and pleasant as possible. Ocean steamships serve as illustration, and, in so far as they go, as proof. The improvements which have been made within a generation to render an ocean voyage agreeable to first-class travellers are remarkable. The ingenuity which has been expended in this direction is admirable, and the amount of capital invested in these improvements is very large. What has been done, in the meantime, to render an ocean voyage agreeable to the stokers and ordinary sailors? Very little. The reason is not that improvement is impossible, but that it has not paid. It is true, however, that in proportion as you make men valuable, machinery does disagreeable work.

Now, it is the essence of socialism to insist upon the value of man; and it is evident that this new order could not fail to result in a new class of inventions and discoveries. Even now we can say that the amount of economic energy expended in lightening menial toil is precisely in proportion to the value which attaches to the ordinary man or woman.

An advertisement (of what is technically called the "before and after" kind) which attracted the author's attention some time since, is significant. It was simply an advertisement of a mop; but as a naturalist can construct from a single bone a likeness of an extinct animal, so a sociologist, sufficiently skilful, could tell us a good deal about the kind of society in which this advertisement appeared. The advertisement gave two pictures; one of an ordinary mop, out of which the water was being wrung by a bedabbled, sorry-looking maid, and the other of a smiling, comely housewife, who

was wringing the dirty water out of the mop by simply turning the handle. This method of extracting the dirty water, without soiling one's hands, was the essential feature of the patented mop. Now, of course, the author knows nothing about the merits of this mop, but he claims that the advertisement itself, of the alleged improvement, signifies a great deal. It is significant that the advertisement appeared in the United States, where women's wages are high, and many women of respectability do their own house work, and not in Germany, where labor is cheap and servants abundant. It is significant that improvements of this kind should be more abundant in the North than in the South. Equally significant is the undoubted fact that the tools used by the slaves in the South were of an inferior kind. The Northern farmer, who hoed his own Indian corn, used a beautifully constructed hoe, weighing a few ounces, and despised the heavy and clumsy tool used by the Southern slave in the field. Equally significant is the fact that, when it was made illegal to send chimney sweeps down chimneys in England, the chimneys were still swept, but by improved tools, and not by boys in the chimneys themselves.<sup>1</sup>

The author spent some time among the Shakers at Mount Lebanon, New York, and was much pleased to see the improvements which had been introduced in the kitchen, rendering kitchen work so agreeable that the sisters preferred it to any other occupation. One thing which he remembers is that the soiled clothes were washed by the aid of water-power. Now, what did all these unusual improvements in the kitchen signify, ex-

<sup>1</sup> This last illustration is given by Mrs. Annie Besant in the *Fabian Essays*.

cept that the community of interests resulted in the devotion of a larger proportion than usual of the inventive talent and energy of this social group to occupations ordinarily termed menial?

It may further be urged in behalf of socialism, that under socialism all forces will work together for a large product, whereas, at the present time, powerful forces are not infrequently striving for a diminished production of wealth. The reason for the condition of things which exists at the present, becomes obvious when we reflect upon the fact that production is carried on for exchange, and that what the producers want is not abundance of commodities, but large values. The two are by no means identical, for value depends upon limitation of supply. If the supply of commodities could be sufficient to satisfy all wants, then commodities would have no value at all, but would become free like air or water.

Wherever it is practicable, producers, then, must of necessity, in a society like ours, endeavor to check production before diminished value begins to do more than off-set increased quantity. This, also, explains the fact that owners of commodities, for example, fruits, have been known to destroy a share of them in order to keep up value.

Cotton, in the United States, serves as an excellent illustration of the divergence between individual or class interests and general social interests. Naturally, society as a whole wants a large and abundant supply of cotton, which furnishes the raw material of so many useful products, but an important section of the country has been distressed by the abundant yield of cotton. Southern planters have for some time been trying to devise means

to diminish the production of cotton. There lie before the author as he writes, clippings and quotations from several newspapers. One of these describes a convention of cotton men, and the heading is "Trying to Wrestle with the Problem of Over-production." The article is a telegraphic despatch dated Memphis, Jan. 8, 1892, and it begins as follows:—

"That the farmers of the South are in earnest in their endeavor to solve the serious problem of over-production of cotton, is evinced by the enthusiastic meeting of delegates to the convention of the Mississippi Valley Cotton Growers' Association, which was called to order in this city this morning."

Another clipping is headed "Cotton Planters: Southern Men advocate a Reduction of the Acreage." A third clipping describes a convention held about a year later at Augusta, Ga. At this convention a "cotton area tax" was suggested. The President of the Boston Chamber of Commerce, in a speech delivered before a notable religious gathering in Washington, referred in these words to the large production of cotton in the South: <sup>1</sup>—

"In 1890 we harvested a cotton crop of over eight million six hundred thousand bales—several hundred thousand bales more than the world could consume. Had the crop of the present year been equally large, it would have been an appalling calamity to the section of our country that devotes so large a portion of its labor and capital to the raising of cotton."

How strange a thing is this bounty of nature! We wish nature to be generous, but not too generous. If nature comes to us with smiling face and outstretched

<sup>1</sup> The Hon. Alden Speare, President of the Boston Chamber of Commerce, Address on Labor and Capital, before the Ecumenical Conference of the Methodist Church in Washington, D.C., as reported in the *Baltimore American*, Oct. 17, 1891.

arms, and pours into our laps her gifts without stint, she impoverishes us, and we hardly know whether to dread the more an excess of niggardliness or an excess of generosity on her part. So full of contradictions is our present economic order, that men must go without coats because too much clothing has been produced, and children must go hungry because the production of grain has been over-abundant. As the socialists have said, with some measure of truth, "In civilization poverty is born of plenty."

As socialism proposes that production should be carried on to satisfy wants directly, the present machinery for exchange of commodities would almost disappear, and trade and commerce, in their existing form, would be practically abolished. The plan of socialism is that products should be gathered into large central stores, and then distributed among the various members of the community according to their claims upon the income of society; in other words, in accordance with their own individual income. It is estimated by Mr. Bellamy that one-eightieth of the population would be sufficient to bring the goods from the producer to the consumer, whereas, he says, that one-eighth of the population is now required for this service. This would then mean a saving of nine-tenths. Whether the saving would be so great as this or not, it is undoubted that socialism, if it could be made to work, would require a far smaller proportion of the population to bring goods from the producer to the consumer than present society.

If we view production of wealth from the standpoint of an employer, we find that socialism is not without its strong features. Surely the employing class cannot find its present relation to the employed altogether agreeable.

It is not pleasant to be engaged in perpetual struggle, and to be viewed with suspicion, and even positive hostility. Many an employer, weary of turmoil, would assuredly welcome a system which promises social peace, although it might effect a reduction in his own income, could he feel convinced that this new system was able to keep its promises in this respect. Working men may say what they please, but the lot of the employer is too frequently anything but an agreeable one, and that he should at times become embittered, when he sees himself perpetually misunderstood, misinterpreted, and antagonized, is not strange. A far stronger plea for socialism, from the standpoint of the employer engaged in production, might be made than one would be inclined to believe at first blush.<sup>1</sup>

The promises which socialism holds out to the em-

<sup>1</sup> "In the present stage of human progress, when ideas of equality are daily spreading more widely among the poorer classes, and can no longer be checked by anything short of the entire suppression of printed discussion, and even of freedom of speech, it is not to be expected that the division of the human race into two hereditary classes, employers and employed, can be permanently maintained. The relation is nearly as unsatisfactory to the payer of wages as to the receiver. If the rich regard the poor as, by a kind of natural law, their servants and dependents, the rich in their turn are regarded as a mere prey and pasture for the poor; the subject of demands and expectations wholly indefinite, increasing in extent with every concession made to them. The total absence of regard for justice or fairness in the relations between the two is as marked on the side of the employed as on that of the employers. We look in vain among the working classes in general for the just pride which will choose to give good work for good wages: for the most part, their sole endeavor is to receive as much, and return as little in the shape of service, as possible. It will sooner or later become insupportable to the employing classes to live in close and hourly contact with persons whose interests and feelings are in hostility to them." (John Stuart Mill's "Principles of Political Economy," Book IV. chap. vii. § 4.)

ployed are, indeed, alluring. It proposes that they should constitute a fraternity, govern themselves in industry, and work together for the common good. "No masters, no servants," must have a welcome sound to many, and especially to those who now occupy the subordinate positions.

## CHAPTER III.

## THE STRENGTH OF SOCIALISM AS A SCHEME FOR THE DISTRIBUTION AND CONSUMPTION OF WEALTH.

ARISTOTLE defended slavery as an institution necessary to social progress, maintaining that, unless there were a class of inferiors who were engaged in the production of material wealth, for the satisfaction of the needs of a superior class, there could be no art, no literature, no statesmanship; in fact, none of those features of a high civilization upon which, ultimately, the general welfare must depend. It is generally admitted that in his day there was a relative truth, at least, in his plea for slavery. One passage in his "Politics" has a prophetic ring. He remarked that if the time should ever come when the plectra of themselves should strike the lyre, and the shuttle should move of itself, then all men might be free; but since his day invention has made many industrial operations well-nigh automatic, and the power of man in production has been increased many-fold. The question suggests itself, cannot the office of slavery, as a foundation of a high and worthy civilization for a few, be performed by modern machinery for all? The larger the production of wealth, the stronger the argument for socialism in distribution. If enough could actually be produced to satisfy all the rational wants of all human beings, many serious objections against socialism as a scheme of distribution would disappear.

It is well known that in certain branches of industry,

the power of man in production has been increased ten, twenty, fifty, one hundred, and sometimes even a thousand-fold. Calico printing, for example, illustrates an increase of capacity which is a hundred-fold; and in the making of books, it would be difficult to say how many thousand-fold has been the increase in human power, if we compare present methods with the days of the copyists, when everything had to be written by hand. When we come to estimates of the total gain in man's productive power, the uncertainty is great and estimates vary widely. A report of the Department of Labor of the United States for 1886, states that the physical power of engines employed in the mechanical industries is over five times that of the men so employed, and that it would require twenty-one millions of men to turn out the product which, as a matter of fact, four millions turn out. Robert Owen claimed that in New Lanark, Scotland, early in this century, the working portion of the population of twenty-five hundred produced as much wealth as, one-half a century before, a population of six hundred thousand could have produced. Another author estimates that the machinery of the civilized world performs a service in production as great as could have been rendered in earlier times by sixty slaves for each family of five. It is probable that both of these latter estimates are far too large, but there can be no question that the socialists make a strong point when they bring forward the increased production of wealth as an argument for the social control of its distribution.

We cannot fail to commend the aim of socialism to substitute an orderly and rational distribution of the social dividend, for that based on a struggle of private interests. This distribution, based upon the struggle of

private interests, can satisfy no benevolent person who has intelligence enough to see what it means.

The idea of distribution is the fullest satisfaction of human wants ; but at the present time very pressing ones go unsatisfied, while a few persons have such a superfluity that, to their own harm, they can satisfy every whim and caprice. You may find here a young girl who has rare artistic gifts, which, on her own account, as well as on account of society, it is desirable she should be able to develop to the utmost, but by reason of poverty her powers languish, and she is obliged to turn to distasteful work for which she has no capacity ; while on another street of the same city you can find a gilded youth, who, in a single night's debauch, will spend enough to his own undoing to give our talented poor girl the best opportunities which money can offer. Instances of this kind fall under our observation every day, and if any way can be discovered to remedy this wrong, it is certainly desirable that it should be known. The effort to mend the evil is indeed commendable.

It is at least conceivable that a distribution of the social income by self-conscious social forces, would be productive of better results, for the nature of distribution would then depend upon the wisdom and integrity with which society performed its functions in this respect. Socialism, in its idea, is unquestionably compatible with a distribution of the national dividend, which would be more productive of well-being than is the distribution which we now witness. Socialism seeks a distribution which avoids the extremes of pauperism and plutocracy. This ideal is that of the Bible, as expressed in Agur's prayer,<sup>1</sup> " Give me neither poverty nor riches ;

<sup>1</sup> Prov. xxx. 8, 9.

feed me with food convenient for me: lest I be full, and deny thee, and say, Who is the Lord? or lest I be poor, and steal, and take the name of my God in vain." Socialists have directed special attention to distribution as considered from the standpoint of the wage-earner, but the wish for him is that he should cease to be a wage-earner, and become a partner in production. This is implied in the socialization of the instruments of production; but this common ownership of the instruments of production implies the distribution among the workers of that surplus above wages which is now allotted to rent, interest, and profits, for socialism proposes to lay hold of these shares in distribution and divide them among the producers.

Socialistic distribution has also strength when it is viewed from the standpoint of other classes than the wage-earners. The employer, even if he may receive a smaller share, is free from the harrowing cares and anxieties which now beset him. The fear that he may lose his entire share in the wealth distributed, a fear often realized as large producers annihilate small producers, ceases to torment him, for socialism, as we have already seen, provides an income for all members of society. It is not proposed that the full product of industry, without abatement of any sort, should go to the toiler, because it is desired that a share should be set aside for those who are incapable of themselves engaging in toil, as well as a share for replacement of capital and addition to capital.

When distribution is viewed from the standpoint of those engaged in the learned professions, socialism is not without its attractive features. Those professions are now over-crowded, largely because many, better

adapted to mechanical pursuits, endeavor to push up into the learned professions to escape unpleasant conditions attending those occupations for which they are naturally adapted. This might be expected to cease, if agriculture and mechanical pursuits could be rendered more agreeable; and the anxiety of professional men for themselves, and often their still greater anxiety for their children, would no longer perplex them by day and disturb their rest at night.

The strength of socialism as a scheme for the consumption of wealth, is closely connected with what has just been said. The ideal of socialism is private frugality and public luxury, which is almost the exact opposite of current ideals, for these seem to favor boundless luxury on the part of private individuals, with parsimony in public consumption. Even those who come quite up to ordinary ethical standards, do not seem to think that any justification is required for a most lavish expenditure on their own wants, although it include an evening's entertainment which costs ten thousand dollars, or a private mansion which has involved an outlay of half a million. Expenditures on entertainments and private dwellings which cost many times the sum mentioned, do not offend the public conscience of our day. On the other hand, when it comes to school buildings or structures for state universities, library buildings, or art galleries, which minister to the needs of the people as a whole, a legislator who would cut down appropriations to the minimum amount and deprive public buildings of all beauty, is praised and petted as a "watch-dog of the treasury," while a president who uses the veto power freely to defeat appropriations for useful purposes, which have something else in view than the pro-

motion of material interests, is supposed to be animated by a stern sense of duty.

Socialism, fortunately, regards with marked disapprobation, lavishness on the part of private individuals as something ethically unjustifiable, because it diverts a disproportionately large amount of material wealth for the satisfaction of the few, while it favors as commendable all that is best and highest and noblest for public purposes. The most beautifully laid out pleasure grounds, the finest public libraries, grandly housed, magnificent galleries of art, and the noblest architecture, are held by socialism to be none too good for the people; because they find their best use when employed in the public service. Which is the truer ideal of the two? If we survey history, we shall be inclined to entertain little doubt that the periods which meet with our most cordial approbation, are those in which private frugality was commended and large expenditure for public purposes was held to be praiseworthy, while the ages of national decay have been ages in which opposite ideals and the reverse practices have prevailed. In her best days Athens employed a large proportion of all public revenues for art in its various forms, and private life was comparatively simple, but in the time of the decay of Greece, public expenditures declined and private luxury grew apace. The early ages of Rome constitute a period when hard work and simple life were held to honor the citizen, while the best which Rome could afford was thought to be none too good for the state. A high ideal of the state prevailed until the decline of Rome began, and as Rome gradually fell into decay, private expenditure increased until luxury became fairly wanton.

If we hold that it is the purpose of society to offer to all, so far as may be, equal opportunities for the development of all faculties, we cannot fail to acknowledge that the ideal of socialism, with respect to the consumption of wealth, is a noble one.

## CHAPTER IV.

## THE MORAL STRENGTH OF SOCIALISM.

WHILE a non-ethical system of socialism, based on a materialistic conception of history, has most unfortunately for socialism found favor on the part of a large faction of socialists, socialism has probably found its main strength on its ethical side. The ethical ideals of socialism have attracted to it generous souls and have enlisted in its ranks its best adherents. It is these ethical ideals which have inspired the rank and file of the socialistic army with fiery zeal and religious devotion. It may be said, indeed, that nothing in the present day is so likely to awaken the conscience of the ordinary man or woman, or to increase the sense of individual responsibility, as a thorough course in socialism. The study of socialism has proved the turning-point in thousands of lives, and converted self-seeking men and women into self-sacrificing toilers for the masses.<sup>1</sup> The impar-

<sup>1</sup> The following illustrations are offered of the moral earnestness produced by socialism :

“A young man employed in the Central Post-office at a salary of \$650 a year. He has married a very charming and able girl, also a member. They occupy two or three rooms in a suburban house. The young lady has been elected as a guardian of the poor, the only woman among a number of men. Her husband devotes nearly all his spare time, after office hours, to the society's propaganda. He has had a little portable desk and stand made for himself, and at this he speaks at open spaces, on street corners, or wherever he can get an audience. His wife accompanies him and sells literature. Do not suppose that these are a blatant young demagogue and a conventional strong-minded woman. Both are educated, intelligent, of sweet disposition;

tial observer can scarcely claim that the Bible produces so marked an effect upon the daily, habitual life of the average man and the average woman who profess to guide their conduct by it, as socialism does upon its adherents. The strength of socialism in this respect is more like that of early Christianity as described in the New Testament.

The person who takes up socialistic works, having a conscience at all sensitive, will find it quickened and stimulated by passage after passage giving a new view of life, which is based upon the worth of every human being. Quotation after quotation could be given. Mr. Bellamy's "Looking Backward" offers possibility of several; but the following has impressed the author of the present work as one which is especially strong. Edith, the heroine, is shocked to learn that in the

but the socialist movement has taken hold of them and given them something they needed, lifted them above the region of what John Morley calls 'greasy domesticity,' and taught them that there is a great suffering world beyond the four walls of home to be helped and worked for. Depend upon it, a movement which can do this has in it some promise of the future.

"Or take the amusing, cynical, remarkable George Bernard Shaw, whose Irish humor and brilliant gifts have partly helped, partly hindered, the society's popularity. This man will rise from an elaborate criticism of last night's opera or Richter concert (he is the musical critic of the *World*), and after a light, purely vegetarian meal, will go down to some far off club in South London, or to some street corner in East London, or to some recognized place of meeting in one of the parks, and will there speak to poor men about their economic position and their political duties. People of this sort, who enjoy books and music and the theatre and good society, do not go down to dreary slums, or even more dreary lecture-rooms, to speak to the poorer class of workingmen, without some strong impelling power; and it is that power, that motive force, upon which I dwell, as showing what is doing in the London of to-day." "The Fabian Society," by William Clarke, in *New England Magazine* for March, 1894.

nineteenth century we permitted people to do things for us which we despised them for doing, and we accepted services which we would have been unwilling to render. Dr. Leete explains to Mr. West the cause of Edith's surprise in these words :—

“To understand why Edith is surprised, you must know that nowadays it is an axiom of ethics that to accept a service from another which we would be unwilling to return in kind if need be, is like borrowing with the intention of not repaying; while to enforce such a service by taking advantage of the poverty or necessity of a person, would be an outrage like forcible robbery. It is the worst thing about any system which divides men, or allows them to be divided, into classes and castes, that it weakens the sense of a common humanity.”

If we go into details somewhat, we find that socialism is strong on its ethical side, because it proposes to make real the brotherhood of man. We have long heard much talk about the brotherhood of man, and we are all aware of the fact that a general belief is expressed in this brotherhood; but when bearing in mind the professed doctrine of brotherhood, we observe the conduct of brother to brother, in our every-day world, we feel like exclaiming, “Words! Words!! Words!!!” It is manifestly a hollow mockery, and, so far as any real service is concerned, most of us would rather be a third cousin to a man by blood relationship, than brother in the general and indefinite sense of the word, even if the brother do call himself a Christian. The conduct of men in their economic relations is anything but brotherly. Socialism may or may not be practicable, but to it the brotherhood of man is something very real. The endeavor of socialism is to carry out the principles of brotherhood in all the relations of life, by introducing a social system, in

which the maxim shall obtain, "One for all; all for one." The central idea is that each one should contribute to the common welfare whatever his strength and capacity will permit, and that none shall be permitted to suffer for the lack of anything which he really needs, provided the resources of society are sufficient to satisfy the need.

An adequate provision for the dependent classes is a necessary part of this proposed system of brotherhood. This provision is found, as we have already seen, in the very structure of society itself; for this includes what we might call a mutual insurance system which reaches every one, so that the weak and infirm and other industrially incapable persons have a sure income guaranteed them.

A passage in "Looking Backward" brings out the socialist idea with regard to those who are now the dependent classes as well as anything which could be quoted. Dr. Leete is again explaining the new society to Mr. West, and these words are used:—

"'A solution which leaves an unaccounted-for residuum, is no solution at all; and our solution of the problem of human society, would have been none at all had it left the lame, the sick, and the blind outside with the beasts to fare as they might. Better far to have left the strong and well unprovided for, than these burdened ones, toward whom every heart must yearn, and for whom ease of mind and body should be provided, if for no others. Therefore, it is as I told you this morning, that the title of every man, woman, and child to the means of existence, rests on no basis less plain, broad, and simple, than the fact that they are fellows of one race — members of one human family. The only coin current is the image of God, and that is good for all we have.

"'I think there is no feature of the civilization of your epoch so repugnant to modern ideas as the neglect with which you treated your dependent classes. Even if you had no pity, no feeling of brotherhood, how was it that you did not see that you were

robbing the incapable classes of their plain right, and leaving them unprovided for?"

"'I do not quite follow you there,' I said. 'I admit the claims of this class to our pity, but how could they, who produce nothing, claim a share of the product as a right?'

"'How happened it?' was Dr. Leete's reply, 'that your workers were able to produce more than so many savages would have done? Was it not wholly on account of the heritage of the past knowledge and achievements of the race, the machinery of society, thousands of years in contriving, found by you ready made to your hand. How did you get to be possessors of this knowledge and this history, which represent nine parts to one contributed by yourself in the value of your product? You inherited it, did you not? And were not these others, these unfortunate and crippled brothers, whom you cast out, joint inheritors; co-heirs, with you? What did you do with their share? Did you not rob them when you put them off with crusts, who were entitled to sit with the heirs, and did you not add insult to robbery, when you called the crusts charity?'"

It is also a part of this idea of brotherhood, that it contemplates a better future for women and children, providing for their ample support, making marriage a matter of affection and inclination for women, and not a matter of economic necessity, and providing for all children the opportunities for a happy childhood and a full development of all their powers.

It is a natural corollary from the endeavor to make real the brotherhood of man in economic relations, that it proposes the establishment of a harmony of industrial interests. It is thought by socialists, that the production of material goods for use rather than for exchange, will harmonize the interests of the members of industrial society, for then it becomes the interest of all, that there shall be a large and ample production of material goods of the best quality. Let us contrast that with production

of things for exchange. When things are produced for exchange, what is wanted is values, and not quantities of commodities, as has been already stated; but value, according to a well-known law, depends upon final utility, or utility of the last thing produced, the result of which is a constant effort to limit production.

Real social riches consist in abundance, but individual interests are always opposed to abundance, in consequence of which we have combinations to diminish production, and corners and rings to forestall the market, resulting in the destruction of cargoes of East Indian spices by the Dutch, and of fish by the English in the Thames, and of fruit by Americans in New York harbor. The arrangement which socialism contemplates is more like that which would hold in a family or among friends. If there is abundance and plenty for all, we rejoice under such circumstances. We say to each one, "Help yourself," and are glad that we are able to do so. This is what happens in the rural districts whenever production is there carried on for use rather than for exchange. The Southern planter, before the war, who produced apples or vegetables for consumption and not for exchange, was glad whenever the yield was large; and it gave him genuine satisfaction to distribute the surplus among his friends and neighbors.

The same law of scarcity which holds for commodities, holds for labor under our present system also. The price of labor is kept up by making it scarce, and to prevent an abundant supply of labor in the branch of industry which they control, is one of the purposes of labor organizations. We thus have, as the result of the law of value, which operates in present society, necessary and universal antagonism of industrial interests. It is not

meant to say that absolutely and in every respect, the interests of one man are opposed to the interests of every other man, in present industrial society: no socialist would claim this, but it is maintained successfully that there is necessarily a large amount of antagonism of interests. The point arises in competitive production and distribution, at which interests diverge. The employer and employee, for example, have identical interests up to a certain point, but then their interests become more or less antagonistic. It is a praiseworthy effort to attempt the establishment of a harmony of industrial interests, and the claim that socialism provides a harmonious system of economic life is a strong one.

It becomes clear, from all this, that socialism seeks to establish an environment favorable to the development of moral qualities in human beings; and unless this feature of socialism is carried so far as to make everything, or nearly everything, depend upon environment, it is unquestionably a strong characteristic of socialism. The teaching of modern science, and the outcome of social experience of every kind, lay greater and greater stress upon environment; and recent scientific tendencies make heredity relatively less important, so far as ordinary moral qualities are concerned.<sup>1</sup>

<sup>1</sup> The fact is frequently overlooked that heredity brings a set of circumstances with it, and what really belongs to the circumstances is often attributed to the heredity. A change of circumstances shows whether a greater influence is to be attributed to the circumstances or to the heredity. It has been ascertained that ties of blood and marriage have long connected a large proportion of the criminal and pauper classes in the neighborhood of Indianapolis, Ind. Those thus related have been called "The Tribe of Ishmael." Now the question in regard to this "Tribe of Ishmael" is, which had the greater influence, heredity or circumstances? It is demonstrable, however, in cases of this kind, as well as in the slums of large cities, that a change of surroundings would produce changed results. Almost invariably a

Unquestionably, favorable environment is not enough in itself, but it is often the condition precedent to improvement. Preachers whose traditions have inclined them to lay almost exclusive emphasis upon exhortation and appeal to the individual conscience, have gradually come to see, that for the most wretched and unfortunate classes there is no hope without a change of environment. The testimony of three preachers, of three different religious bodies, is important in this connection. The Rev. Samuel Barnett, for many years rector of St. Jude's Church, and warden of Toynbee Hall, London, tells us in his work, "Practicable Socialism," that in the slums of cities the social reformer must precede, or, at any rate, accompany, the preacher, unless the latter be himself a social reformer. Mr. Barnett is a clergyman of the established Church of England; but a leading Methodist, the Rev. Hugh Price Hughes, gives like testimony, stating that he has had as much experience in evangelistic work as any man in England, and that, in his opinion, it is of no avail to preach to hungry men. General Booth of the Salvation Army tells us plainly, in his "Darkest England," that it was the hopelessness of attempting to save the wretched and outcast population of London, the "submerged tenth," without a change in their environment, which led him to advocate his extensive plans of social reform.

child taken from such environment and placed under a favorable environment becomes a moral citizen, whereas had the old environment continued, the child would probably have become a criminal or a pauper. Such statistics as we have show that more than nine out of ten children are saved by a change in environment. Heredity would seem to have great weight in the case of special talents, as teachers have frequent opportunity to observe; but so far as ordinary moral character is concerned, circumstances would appear to be far more important.

The late Mr. Charles Loring Brace, who, through the Children's Aid Society, of which he was the founder and the soul, was able to save hundreds of thousands of lives, warns us against individualistic religious methods like tract distribution, as of no use in the slums.

After all, this is only a matter of ordinary common-sense, based on ample experience. Every man feels, for his own family, the importance of environment, and he seeks to bring up his own children in a favorable environment. A Christian father of a family, who should leave his own little boys and girls to grow up in the slums of cities, among thieves and prostitutes, is inconceivable. Any father of a family, having the power to take his children out of such environment, and who should not do it, would be considered a monstrosity. After all, the real reason why we hear so much against environment, is because the more fortunate classes desire to shirk the individual responsibility which a true doctrine of environment brings to them. If each individual, regardless of environment, has an equal chance, of course there is little reason why a fortunately situated person should concern himself about the wretched inhabitants of the modern slum, whereas the true doctrine of environment lays a heavy responsibility upon each one who is able in any way to change an unfortunate environment. Socialism in this, as in other respects, helps to tear off the mask of sham and hypocrisy from modern society.

The structure of society, under socialism, would be such as to abolish necessarily the idle classes, and this constitutes a strong feature of socialism. No one, under socialism, can gain a livelihood without personal exertion; and the maxim of St. Paul, "He who will not work, neither shall he eat," would become of universal application.

At the present time, we are making some attempt to abolish idleness on the part of poor people, but we have not seriously attacked the problem of the idle rich. Socialism is strong, then, because it attempts to abolish all idle classes, and idleness is morally pernicious.

Socialists claim that socialism would improve and elevate government, and would raise into prominence a nobler class of men. It may be urged that socialism would improve government, because it would make government a matter of vital concern to all the inhabitants of a country, and would draw into the service of the government all the moral strength and talent of the country. At the present time, on the contrary, government is a matter of such minor concern to large and influential classes, that they neglect it altogether, and very many powerful persons promote their economic interests by the degradation of government. Under socialism, the prosperity of all would depend upon the character of the socialistic administration, and socialism could hope to avail itself of the full mental capacity and moral strength of the community. If socialism could be made to work, it cannot be said that its claim, that it would bring into prominence a nobler class of men, and would produce nobler men, is unfounded. Those who have great fortunes, under our existing system, have such positions of prominence and power that they cannot be ignored. People must do them honor, because they fear to do otherwise. A governor of an American commonwealth was, not long ago, reproved because he would not join in the reception tendered to an industrial magnate whose methods had been such that he could not give them his approbation; for he held that these methods, introduced into the State of which he was governor, would not tend to its development "in the line

of public good." His judgment in regard to the moral character of the man was not called in question, but he was criticised because this man, held by many to be guilty even of penitentiary offences, had such power that he could either help or injure the section of the country which he was visiting.

Socialists hold that, under socialism, elevation to positions of importance would be based upon moral qualifications, in part at least. They furthermore urge that the nature of public business is such that it is ennobling. A great leader in private business has his attention concentrated upon himself or upon a few stock-holders, whereas public life enlarges the horizon, and the right thinking person who administers public business, does so with reference to the good of the whole people. It may be justly urged that it is public and not private life which has given us a Washington, a Lincoln.<sup>1</sup> The

<sup>1</sup> A critic replies : "It is doubtless true that private service would not give us a Washington or a Lincoln, and it is equally true that public service would not give us a Fulton, a Whitney, a Morse, a Westinghouse, or an Edison."

This is by no means clear to those who know what is going on in the laboratories of the universities in different parts of the world. And it must be remembered that, taking the world as a whole, the greater part of its activity is conducted by those who are in the public service, namely, the professors and their assistants in the State universities. It is safe to say that those men who are named could not have done their work had it not been for the preliminary work carried on in the laboratories of universities. Morse is not the only name to be mentioned in connection with the telegraph. Professor Henry's name also has an honorable record as the inventor of what was essential in the telegraph, and, animated by the spirit which obtains in the public service at the best, he refused to take out a patent. There are, indeed, those who do not recognize the claims of Morse to originality in the practical application of the telegraph; but, of course, it is not necessary for us to enter upon a discussion of this controverted point. It is certain that Morse's work was based upon

heroes of men are those who have served States, and not those who have served private corporations. This shows us why, as John Stuart Mill pointed out, war, and not private business, has heretofore been the chief school of the social virtues. War has an anti-social character, inasmuch as it is waged by one society of men against another; but it is carried on to advance the interest of a country, and the soldier feels that he is struggling for his land, and for it he is ready to give up life itself. His occupation cultivates in him generous habits of mind, and a sense of common danger draws him near to his fellow-soldiers.<sup>1</sup>

a great deal of previous activity of a public nature. Public service has given us a Bunsen, a Helmholtz, a Virchow, and many others who quite hold their own with the names mentioned. What reason have we, after all, to say that an Edison would not have given us his best, had he worked in a public laboratory? Those who are familiar with the work going on in the laboratories of universities, know that the entire time and strength of those engaged in these universities is given to their work, and, as a rule, the last thing of which they think is large pecuniary returns. Professor Babcock, in the State University of Wisconsin, invented a milk tester, which, it has been asserted, is worth to the State every year the entire cost of the university; and a professor in the University of Kansas has likewise, it is claimed, made discoveries which are worth, to the State of Kansas, the entire cost of that university. Professor Babcock refused to patent his invention because he did not think it was right for him to do so, as he was in the service of the State.

However, it is not incumbent upon the author of the present work, to show that all our inventions and improvements could result from public life, inasmuch as he endeavors, in the latter part of the book, to demonstrate the importance of a large field for private enterprise.

<sup>1</sup> "Until laborers and employers perform the work of industry in the spirit in which soldiers perform that of an army, industry will never be moralized, and military life will remain, what, in spite of the anti-social character of its direct object, it has hitherto been, the chief school of moral co-operation." — *The Positive Philosophy of Auguste Comte*, by JOHN STUART MILL, New York, 1887, p. 135.

## CHAPTER V.

## SOCIALISM AS A PROMOTER OF ART.

IT is likely to awaken surprise on the part of those who have not given attention to socialism, to learn that among people of artistic temperament, it meets with much favor. Poets, painters, and authors of talent are much inclined to view socialism with a certain sympathy, and there are many of them who are even outspoken in their adherence to it. John Ruskin advocates something like socialism, although of an aristocratic kind; and William Morris, regarded by many as the worthiest of the English poets to hold the post of Poet Laureate, is not only a socialist, but a rather extreme socialist. Alfred Hayes, prominent among the younger English poets, and Walter Crane, the artist, are members of the Fabian Society.<sup>1</sup> Our own James Russell Lowell at one time said a good word in behalf of socialism, and probably Mr. W. D. Howells would no longer object to being classed among the socialists.

What is the explanation of this fact, which may at first seem a striking and surprising one? The explanation is found in the unfavorable atmosphere for art and literature which is created by competitive industrialism. Art can thrive only when it is encouraged by a favorable

<sup>1</sup> "The Fabian Society," by William Clarke, in the *New England Magazine* for March, 1894.

social environment.<sup>1</sup> Poverty on the part of the many and wealth on the part of a few, are alike held to be fatal to the highest art or literature. Leisure and moderate comfort on the part of the private citizen, with a grand public life, create the atmosphere in which art thrives. If we look back upon the past, we find that national feeling in its expansive periods has produced a large part of all that is great in art and literature. Three periods may be called to mind: the age of Pericles, when Greek art and literature achieved grand success; the age of Augustus, which was called the Golden Age; and the age of Elizabeth in England, which produced Shakespeare. Man achieves great things when in him the national life pulsates, and through him the nation speaks; but when the national life is mean, man's spirit finds no high plane of thought and expression. Architecture achieved its grandest success in the Middle Ages, when national feeling was becoming powerful, and the age in which this success was attained was not peculiarly a commercial age. It is often said in the United States that when we become richer we shall have a true art; but if what artists tell us is true, what art has to dread in the United States is a plutocracy. The increase of wealth, with present methods of distribution, would seem to be more likely to bring danger with it than promise to art. What is really wanted is more leisure and comfort for the masses, more joy in work, and a genuine revival of true national feeling.

Art is essentially public and not private in its destina-

<sup>1</sup> "The hearing ear is always found close to the speaking tongue, and no genius can long or often utter anything which is not invited or gladly entertained by men around him." — EMERSON: *English Traits*, chap. iv., on Race.

tion, and if it achieves its grandest success, must minister to society, and not to millionaires. This, at any rate, is the socialistic view. One socialistic writer complains that<sup>1</sup> "now a clever workman is kept at tasks prescribed by plutocrats, and must produce baronial sideboards, and the deft-fingered girl hideous artificial flowers." He tells us the gold standards of plutocracy are not art standards, and that an atmosphere is produced by competition, and plutocracy resulting therefrom, in which art cannot thrive; "that competition ties the craftsman hand and foot, but art implies independence." Another socialist, in speaking of the creed of philosophic radicalism in England, which included classical political economy, says that:

"It was essentially a creed of Murdstones and Gradgrinds, and the first revolt came from the artistic side; the nest of singing birds of the lakes would have none of it."

Mr. William Morris, in an article upon the socialist ideal,<sup>2</sup> makes a plea for socialism from the standpoint of art, and uses these words:

"The great mass of effective art, that which pervades all life, must be the result of the harmonious co-operation of neighbors; and the rich man has no neighbors, nothing but rivals and parasites. . . . When people once more take pleasure in their work, when the pleasure rises to a certain point, the expression of it will become irresistible, and that expression of pleasure is art, whatever form it may take."

Mr. Morris says that we must abolish the privilege of private persons to destroy the beauty of the earth for their private advantage, and he explains that the

<sup>1</sup> See *Church Reformer*, March, 1890.

<sup>2</sup> See *New Review*, January, 1891.

richest man has now license to injure the commonwealth to the full extent of his riches.

One of the most learned English churchmen, Dr. Westcott, now Bishop of Durham, writes on art in the same spirit in his work on the Epistles of St. John. He says of Christian art that:

“It aims not at a solitary, but a common enjoyment; it seeks to make it clear that all to which it is directed has a spiritual value, able to command completest service. . . . If this view of art which has been given is correct, its primary destination is public, not private, and it culminates in worship. Neither a great picture nor a great poem can be for a single possessor; and so it has been at all times, when art has risen to its highest triumphs. . . . When Greek art was greatest, it was consecrated to public use, and one chief danger of modern society is lest the growth of private wealth should lead to the diversion of the highest artistic power from the common service.”

One of the best presentations of art, from the socialistic standpoint, is given in an article in the *Christian Union* (now *The Outlook*) for December 17, 1893, and is entitled “Ideal Art for the People.”

The following quotation gives the gist of the socialistic thought :<sup>1</sup>—

“The art of the city, in the day when painters, sculptors, and master-singers were in full tide of work and song, did not rest in the genius of the few, but in the mood of the many. The instinct for beauty, and the training which recognized it under all forms, were universal; for art grows out of a deep, rich soil, and grows

<sup>1</sup> Mr. Wm. Morris gives an extremely interesting presentation of his views concerning art, in an address entitled “Art and Socialism,” published by W. Reeves, London, 1884. A Boston architect, Mr. J. Pickering Putnam, treats the subject of architecture in its relations to socialism, under the title of “Architecture under Nationalism,” a monograph published by the Nationalist Educational Association, Boston, 1890.

only when such soil is provided for it. It may produce sporadically in an alien atmosphere, but it is never productive of great works, on a great scale, unless it is representative of a wide popular impulse and sympathy, unless it is national or racial. In this country, as in England, art does not really touch our life; it is not yet one of our natural forms of expression: we do not understand its immense importance in a rich and rounded civilization; nor do we realize how much we are losing a homely, every-day content and rest. A real, living art means beauty in dress and habit, joy in the manual industries in the production of things sound and harmonious; it means striving for the ideal in common occupations, and spiritual and intellectual rest and delight in common work.

“ We think of art as a luxury, an embellishment, the delicate growth of a fortunate age, and the choice work of a favored few. It is to-day, and in this country, largely the possession of the rich. Nothing could be farther from a true idea of art or a true use of it. Great art is a sturdy, vigorous plant, demanding a rich soil, a broad sky, and free winds; it is never an exotic, to be nourished delicately by a few, and kept from contact with the vulgar world. It is great only when it is so much a part of the world that it is its most inevitable and unforced expression. The Greek tragedies and Shakespeare’s plays were part of the intensest popular life of their time.”

## CHAPTER VI.

## SOCIALISM AND PRESENT PROBLEMS.

ONE of the problems of to-day is a simplification of government, and the socialist claims that socialism will solve this problem. A certain force cannot be denied to this argument. Laws are multiplied now without end, and it is extremely difficult to know what is and what is not legal under the complex conditions of modern life. It is also very hard to avoid pernicious legislation, because it requires such incessant watching on the part of well-meaning, intelligent citizens.

Socialism puts forward the claim that it would reduce law-making to a minimum, and would almost abolish courts. If one examines our statute books, one will find that by far the greater portion of legislation concerns private property in the instruments of production, and that litigation also finds its basis in the same institution. Naturally this legislation and this litigation would be abolished with the abolition of the institution upon which it all rests. A comparison of the post-office with our American railways would illustrate this point. The law in regard to the post-office is comparatively concise and simple, and the post-office seldom figures in lawsuits. On the other hand, how endless is the legislation concerning privately owned railways! How complex and complicated is it! How continuously does the private railway figure in lawsuits! The administrative problem under socialism might become more difficult than pres-

ent public administration, but law would be greatly simplified, and the basis of most litigation before the courts would disappear.

But this is not all; how difficult a problem is taxation! The national Congress and the legislatures of forty-four States and the municipal authorities of hundreds of cities are all struggling with this problem, and the amount of progress which has been accomplished during the past generation is discouragingly small. Unquestionably, our methods of taxation could be vastly improved; but taxation must ever remain a difficult problem. The whole problem, however, practically disappears under socialism. With production socialized it would only be necessary for society to take out of the total product in advance what was needed for public purposes before the distribution among the citizens should be effected.

Still another problem: What of the eight-hour day? The eight-hour day is plainly an ideal, but yet an extremely difficult one to realize under present conditions, look at it as we will. Each man cannot settle it for himself, because in modern production those engaged in the same industrial establishment must, as a rule, work the same length of time; but even those in one industrial establishment cannot decide the problem for themselves, because they are under compulsion which springs from the competition of other industrial establishments in the same country and even in other countries.

The eight-hour day has involved in many a conflict employer and employee; and yet, unfortunately, the employer is well nigh as powerless to effect a change as the employee. Socialism, harmonizing industrial interests, would make the problem a comparatively simple one. The more men produced, the more they would have to

enjoy ; and it would remain for society to determine on the one hand, how much greater would be the production of wealth resulting from a ten-hour day than from an eight-hour day ; and second, whether the additional production was more or less valuable than the additional time.

Compulsory education is another problem which, at best, must occasion difficulties so long as the present competitive system endures. It is a cruel hardship to children not to give them educational advantages ; but to do so sometimes deprives a dependent parent, for example, a widowed mother, of what she needs for her support. Doubtless it is better to do this than to allow a child to grow up in ignorance ; or, at any rate, it is better to provide in some other way for the mother ; but this does not render the problem an easy one. Yet this is only one of the difficulties which an attempt to secure a universal education encounters in actual practice. It is frequently found that the children in the schools in the poorer quarters of the cities have no decent clothing, and that they are often unable to study, because actually hungry. Compulsory education, then, to be really effective, involves in numerous cases the problem of furnishing food and clothing to children as well as schools. Manifestly, if socialism can be made to work at all well, the difficulties of compulsory education simply disappear.

Insurance against the economic contingencies which beset the ordinary man is one of the pressing problems of the day. Germany has elaborated a system under the operation of which some twenty millions of human beings are more or less adequately insured ; and the problem is actively discussed in every European country. It is only a matter of time when insurance will become

one of the pressing problems of the day in the United States. Yet, whether we adopt the German method, or one of the numerous other methods which have been suggested, the difficulties are immense; while to do nothing will probably be an impossibility at no distant day. The structure of society under socialism is such that it solves the problem.

Private monopoly, with all its difficulties, manifestly disappears under socialism. So we can take up one problem of the day after another, and we shall find that socialism provides a solution for them. We can question whether socialism can be made to work in practice or not; but we cannot well deny that if socialism is practicable, it brings with it the solution of these questions.

## CHAPTER VII.

**SERVICES WHICH THE AGITATION OF SOCIALISM HAS RENDERED.**

THE statement has already been made that we may look at the strength of socialism from two standpoints: First, from the standpoint of a program of complete social reconstruction, and second, from the standpoint of socialistic agitation. We pass now from the first standpoint to the second, and consider the benefits which the agitation of socialism has brought us.

First, we may mention the general awakening of conscience, with respect to social conditions, which it has produced. Probably there never was a time when, generally speaking, the consciences of men were so sensitive with regard to the lot of the poor and unfortunate as at the present day; and this is very largely the direct, and also the indirect, effect of the activity of socialism, for it has promoted the discussion of all economic questions from an ethical standpoint. Even the non-ethical socialism has had this effect, because it has largely lost its non-ethical character when it has been brought under the requirements of practical agitation. What socialism really desires is that the economic life should be entirely subordinate to the other departments of social life. It wishes leisure and opportunity for the cultivation of the higher faculties. Socialism has thus performed an important service in showing what may, at least conceivably, be accomplished by making a struggle for material interests merely a basis of higher things.

Socialism has aided men to picture to themselves an ideal society, and has familiarized them with the idea of social change and progress. This has resulted in a widespread desire to move in the direction of the ideal, and to approximate it as nearly as may be. The result has been that a needed interest in economic questions has been awakened among anti-socialists as well as socialists.

Formerly an excessive emphasis was laid on the individual side of economic life, and this was the outcome of the individualistic philosophy of the latter part of the eighteenth century. Socialism has laid a needed emphasis upon the social side of economic life. When new measures and projects are brought forward, socialism teaches us to look at them from the standpoint of society as a whole, and not from that of individual promoters merely. It is not meant to be said that this was impossible without socialism, but attention is called simply to the undoubted fact that socialism was needed to familiarize us with the point of view which one gets from looking at economic questions from the standpoint of society as a whole. Even up to the present day, we, in the United States, are accustomed to regard projects and measures simply from the standpoint of the immediate interests of a few.

A few men wish a charter for a street railway, or a steam railway, or they desire the privilege of furnishing gas to a city. It is evident that the project will promote the interests of those immediately concerned, and usually they receive what they desire almost without conditions. When, however, enterprises of this sort are viewed from the standpoint of society as a whole, we begin to ask ourselves whether society could not do better than to hand over to private individuals, or corporations, such impor-

tant services without conditions of any sort. But, as soon as the question is asked, a divergence appears between public and private interests. It is seen, for example, that even with private enterprises it is better to have a limited than an unlimited charter, in order that society may, at some future time, have the right to take hold of the enterprise, and manage it directly, or that it may sell the privilege to persons willing to pay for it its market price. Reflection upon the bearings of such enterprise, when viewed from the standpoint of society, reveals, furthermore, the injustice in society of giving away privileges to a few persons, which have a pecuniary significance, based upon the fact that they yield a surplus over and above the returns to labor and to capital. If socialism had, early in our history, familiarized us with thoughts of this kind, it would have saved to the people of the United States hundreds of millions of dollars. The claim is made, by one long familiar with the finances of New York City, that the value of franchises given away in that city, and thus enriching the few at the expense of the many, would be sufficient to defray all the expenses of the government of New York City. While this does not seem so bad when the matter is viewed simply from the standpoint of the individual, viewed from the standpoint of society, it appears like a wicked robbery of the public, and we see that there is not a working woman in New York City who has not virtually been robbed for the benefit of a favored few; for, had the public interest been guarded, it would be easy to have three-cent street-car fares in New York City or on each fare to have a surplus of two cents to be employed for public purposes, in the benefits of which all would share. If we take up one class of undertakings

after another, and view them from the standpoint of socialism, we shall find light thrown upon the public interests. Socialism has thus a high educational value.

But the question is naturally raised by socialism, whether industrial undertakings shall be at all handed over to private individuals or corporations. Socialism claims that society, as a whole, should provide for the satisfaction of economic wants; and while, very generally, this claim has not been admitted with reference to industry as a whole, new light has been thrown upon the industrial functions of government, as one industry after another has been studied from the social standpoint. There are now large classes who will go at least part way with the socialists. As the result of socialism, in part at least, we have a better classification of industrial undertakings, showing us that these undertakings differ among themselves in material respects, and that the advantages of private industry do not hold equally for them all.

The foregoing is only one respect in which socialism has modified, fortunately, the older political economy. It has compelled an examination of the social order itself. Older economists took simply for granted the fundamental features of the existing social order. Private property, freedom of person, free contract, and vested interests were assumed as a mere matter of course. Socialists criticised these institutions, and the result has been a careful, analytical, and historical examination of them. This examination has revealed the fact that they themselves are growths, developing like other institutions, and capable of beneficial modifications. The criticisms of socialism have also led to a re-examination of the doctrines of value and price, with great advantage to politi-

cal economy, and perhaps there is scarcely any doctrine of economics, which has not, to a greater or less extent, been brought under the influence of socialism, and received beneficial modification.

The agitation of socialism has had a tendency to improve government. What has already been stated has indicated several lines of reform which the agitation of socialism has promoted. The socialistic platforms are, as a rule, divided into two parts, the first of which contains a statement of the ultimate ideal, and the second of which presents immediate demands. Now, many of these immediate demands are such that they have found general favor, and in some instances acceptance.

We may name among them plans to improve and extend local self-government, and to educate the voter; also various measures designed to improve sanitary conditions in factories, to protect the life and health of the wage-earner, and to throw safeguards about women and children; all of which would fall under the general head of factory legislation. Everything designed to purify government, and to protect the ballot, finds support on the part of the socialists. The socialists are now inclined to take the position that what is needed to bring about socialism is not a reaction from excessive misery, but a strong and intelligent wage-earning population. If the reader will consult various socialistic programs given in the Appendix, he will see that there are many "immediate demands" which must receive general approval. But this is not all; socialism conveys to the masses the idea that political questions are far larger than personal questions, and that it is a degradation of government to make political questions centre about the distribution of booty, whether that take the form of fat

contracts, or offices, designated in the parlance of the day as "plums" or "snaps."

Socialism makes questions of government something far more than contests of office-holders and office-seekers. Socialism makes government real, live, vital, because it is felt that so much is at stake in politics. Perhaps nothing is more calculated to improve government than a generous leaven of the best kind of socialistic thought.

Proof can be seen in various quarters. When the social democrats gained control of several cities in Saxony, Germany, the excellence of their administration was admitted by all. London, also, offers remarkable proof, for socialism has been largely instrumental in making the administration of London a model for all other cities. Mr. Frederick Harrison, not himself a socialist, says that the London County Council of 1889 "was the most definitely democratic and reforming body of men ever elected in England." He adds,—

"The council has proved itself the most economical municipality which any great city possesses, or, perhaps, ever had, . . . and is, beyond doubt, the purest and most honest. The curse of all great cities is corruption. . . . London has now a municipality which is absolutely free from this taint or even the suspicion of it. . . . The council is the first municipal authority in this metropolis which has shown a steady, earnest, and intelligent desire to raise the condition of the people. . . . No more honest, hard-working, zealous, self-sacrificing body of public servants has ever served a great city. No capital in the world ever had so incorruptible a municipal authority; nor did any have such eminent trained public servants to lead it. It is a pattern to the world for economy, for industry, for earnestness in the cause of the people."



## PART III.

*THE WEAKNESS OF SOCIALISM.*



## PART III.

### *THE WEAKNESS OF SOCIALISM.*

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#### CHAPTER I.

##### INTRODUCTORY.

SOCIALISM is as strong as the strongest presentation which can be made of it. This must be clearly borne in mind by all students of the subject, for in the course of statement and re-statement socialism will be made stronger than any presentation of it which has ever yet been given. No impartial person can deny this, any more than any such person can deny that it has become stronger in its program as time has gone on, and this program has been elaborated and improved.

What, in its nature, is the weakness of socialism ? When we examine into this weakness, we must direct our attention to what is essential in socialism, and not to accidental features attached to it by this, that, or the other socialist.

Socialism in England and America can be appreciated in its full strength only when it becomes entirely emancipated from the materialistic conception of history advanced by Karl Marx ; for in neither country can socialism meet with favor when it finds its basis in materialism.

Every modern student must admit the great influence of economic conditions, especially of the production, dis-

tribution, and exchange of material goods upon the whole of life; but to make everything depend upon economic forces, is shutting one's eyes to other forces, equally great and sometimes greater; and one must be blind to historical and actual phenomena who would make religion merely a product of economic life. Religion is an independent force, often sufficient to modify and even to shape economic institutions. How can it be claimed that our material economy is a cause of religion, when we find religious beliefs so diverse flourishing with like economic conditions? This is not the place to examine the philosophy of materialism; but it can scarcely be called an exaggerated statement to say that it is an antiquated philosophy,—at any rate, in the crude form in which it is presented by Marx's socialism.

Similarly, it is a weakness in one presentation of socialism, which does not touch the essence of socialism, to make it depend upon a precise and accurately defined law of evolution, which is as inflexible as cast-iron.

Society is not an automaton. That society has some option, some choice, and a conscience to which an appeal can be made, is a fact, if there is any such thing as a fact at all. There is a specious appearance of strength in the claim that the evolution of society is such that things must become worse and worse; wages falling, relatively at least, crises inevitably increasing in frequency and in severity, and the concentration of production going forward, until ultimately we must choose between private or public monopoly in every branch of industry. Such a law of evolution makes socialism turn upon the historical and statistical proof that can be brought forward to substantiate it. We consequently

have whole volumes of statistics, compiled either to substantiate or to refute socialism, when based upon this law of evolution. So far as these statistics are concerned, it must be said that they are nearly worthless. Each one seems to prove his point, but it is because his statistical presentation is incomplete. Probably there is no sufficient statistical record in existence to enable us either to prove or to disprove the Marxist law of social evolution. But socialism does not depend upon this law. If it could be completely refuted to-morrow, in such manner that every one would have to admit its refutation, socialism would not be weakened thereby, except, perhaps, temporarily.

The real nature of the question at issue is this: Are there general tendencies which are more or less favorable to a socialistic organization of production and distribution? Every one will admit that industrial society must, in the future, be shaped with reference to actual existing social forces, although more than one outcome of these forces is conceivable. Then, if we decide in the affirmative, as we must, that there are certain social, or, speaking more accurately, socio-economic forces, working favorably to socialism, we have to decide whether the socialistic outcome of this social evolution is that which is, on the whole, the more desirable.

A part of this so-called scientific law of social evolution is a doctrine of value, which makes value depend upon labor-time, and finds the profits of capital and the source of new wealth in a surplus value created by labor, and filched from labor by the capitalist. The scientific cast which this law of value seems to give to socialism is merely a superficial appearance. Socialism does not depend upon a law of value; and the refutation of any

particular socialistic law of value leaves socialism, as a practical force, as strong as it was before.

The situation is simply this: At the present time the instruments of production are privately owned, and industry is privately managed. This necessitates the existence of rent, interest, and profits. Manifestly, the entire product of industry cannot, under such conditions, go to labor, and there must be idle classes living on rent and interest. Moreover, the capitalist must, under existing conditions, receive, in addition to returns for personal exertions, a return for the ownership of the instruments of production. The vital questions are: Can this be so changed and such an economic organization be brought about that the ownership of the instruments of production will be vested in society as a whole? In the second place, we have to ask the question whether or not this is desirable even if it is practicable. Manifestly, the wage-earner must like to add to his wages the advantages of partial ownership of the instruments of production; and it is only natural that he should desire to participate in the management of production. It is really a great weakness in a presentation of socialism to call rent, interest, and profits, robbery, although they are appropriated by capitalists and other classes than wage-earners. Naturally, the wage-earner cannot be blamed because he desires a reorganization which will compel all capable persons to render useful personal service, and to enable society as a whole to enjoy benefits which now accrue to the few. The Fabian Society in England has been able to exercise an immense influence upon English thought, and a decided influence upon English practice, because it has emancipated itself from a pseudo-scientific presentation of socialism, which was, after all, full of revolting crudities.

It follows naturally from what has been said, that it is not by any means necessary to make socialism a purely working-class movement. The question of socialism is one which concerns all classes of society ; and it is by no means evident that wage-earners will obtain greater benefit than any other social class, if socialism can be made to work as well as its adherents claim. What is called an "all-classes socialism" is stronger than a working-class socialism. Socialism has been made largely a working-class movement in Germany, but this has had a most unfortunate effect. Every well-wisher of the United States and England will hope that socialism, in these two countries, may lack the narrowness as well as the bitterness which accompanies it if it becomes a working-class movement. It may be said that in Germany socialism has tended to become more conservative as the socialistic party has become a great power in the land, and that it has lost something of its working-class character to its own great gain. The strength that socialism has, has largely come to it from others than wage-earners. Marx and Lassalle were far enough removed by birth and position and training from the wage-earning class of Germany. Liebknecht and Bebel, as has already been mentioned, are the leaders of German social democracy to-day ; and Liebknecht was once a university student, and Bebel a prosperous manufacturer and employer. Robert Owen, the earliest English socialist, was an industrial magnate ; and a large proportion of the strength of socialism in England comes from men who have been trained at the English universities. University men also figure prominently in American socialism. Men of such character must be drawn into the socialist movement from conscientious motives, if it is to

become powerful. The appeal to self-interest of the masses is proper in its own place, but that is not sufficient. The one who overlooks the capacity in man for self-sacrifice and devotion to others, excludes social facts as real as any which can be mentioned, and, moreover, facts nowhere seen more plainly than in the history of socialism itself.

## CHAPTER II.

**ALLEGED, BUT NOT VALID, OBJECTIONS TO SOCIALISM.**

WHEN we survey the various current arguments against socialism, we are obliged to divide them into two classes. By far the more numerous class of arguments is composed of those which rest upon either misapprehension or wilful misrepresentation. They are not arguments which can be advanced by any one who is at the same time intelligent and ingenuous. Arguments of the second class, however, are arguments which are advanced by those who fully understand what socialism means, and feel that socialism should be treated honestly. They constitute the serious objections to socialism, pointing out the difficulties which stand in the way of its realization. Each writer who is opposed to socialism will have a different view with regard to the weightiest objections to its proposals. But it is the purpose of the author of the present work to present those objections to socialism which seem to him to have most weight.

It may first of all be well to give some little attention to the arguments against socialism which cannot be regarded as valid. Of course, it would require a book much longer than the present work to take up one after the other all these fallacious and misleading arguments; but a few of the more common objections of the kind named will be discussed briefly, by way of illustration.

When we survey the various arguments against social-

ism in different countries, we cannot fail to be impressed with the fact that that is held to be a valid objection in one country which is not so regarded in another country. An illustration is afforded by free public schools. German writers, and until recently English writers, have regarded the proposal of the socialists to abolish tuition fees as decidedly objectionable. There may be differences of opinion among Americans, but undoubtedly a vast majority of the citizens of the United States give to free schools their cordial indorsement, regard them as one of the bulwarks of the republic, and attack vigorously any one who attempts to undermine them. On the other hand, the idea of public ownership and management of railways is regarded by many Americans as the chief weakness in the program of socialism, while Germans, as a rule, regard such ownership and management as something desirable. They tell us that the test of experience has settled the question for them. These illustrations suggest caution, and a careful survey of the operation of existing institutions in different lands.

The failure of communistic experiments in the United States and elsewhere is often urged as an objection against modern socialism; but, in reality, these experiments, while more or less instructive, throw little light upon the socialism of to-day. Some of them have succeeded; most of them have failed. But had all failed, that would scarcely constitute an argument of weight against proposals like those which we are called upon to consider. The earlier communism of this century represented ideals which find their basis in an earlier stage of industrial development; in so far, at any rate, as this communism attempted to propose something for universal adoption. The communistic village based

upon voluntary agreement corresponded to a period of production on a small scale, when each large household group could hope to become economically almost self-sufficient. When production is carried on on a vast national and international scale, the socialism proposed must be national and international. The difficulties in the way of a communistic village are sufficiently apparent when one views them in the light of past experience, or when one examines the methods of production and distribution of the present time. A communistic village must be dependent at the present moment, when production is carried on for exchange, upon outsiders who have no connection with communism, and who are often bitterly opposed to it. Railways and telegraphs may be adduced as simply two important illustrations of many which might be mentioned. The management of these enterprises, privately owned and operated, cannot be expected to conform to the requirements of communistic settlements. Moreover, such settlements would not afford the freedom of movement and the possibilities of organization and reorganization which are required at the present day. When socialism is nationally organized, a man can move about the country to find the place which is most agreeable to him, and for which he is best adapted. Whatever his talents and his acquisitions, they are not lost to the socialistic state because he moves from one city to another. The condition of things is exactly the reverse in a communistic village. It is quite conceivable that the man who is most essential to the life and industries of such a village in the North may find it necessary, on account of his health, to move to Florida, and he thus becomes lost to communism. Moreover, in any communistic village there will very likely fail to be a right

assortment of men and women for industrial organization. There may be too many of one kind and too few of another, and it is not possible freely to draw in from the outside world, and to give to the outside world, and still preserve communism.

These are simply a few obvious difficulties in the way of earlier communism, which had reference perhaps as much to the advantages of associated consumption, as to the economies of production on a vast scale : and these difficulties, with others which will occur on reflection, clearly render the earlier communism inadequate. This is conceded as freely by the modern socialist as by anyone. Consequently we find socialists in the United States issuing a pamphlet aiming to discourage any movement in the direction of a communistic village ; and the Fabians of England steadily setting their faces against any separate settlements. In a lecture on the Progress of Collectivism, as reported in the *Fabian News* of February, 1894, Mr. Sidney Webb says of the Fabians, that from the beginning they discountenanced proposals to establish utopian communities, and have never seen reason to alter their opinion. Modern socialism does not preach a doctrine of separation, but aims to change the whole structure of modern society.

A socialistic state, under the auspices of the Jesuits, was established in Paraguay in the seventeenth century, and lasted for a hundred years or more, when it fell to pieces, owing to foreign conquest. This failure has been adduced as an argument against modern socialism, but a little reflection will show that it has no bearing on the case ; and we can only wonder that this state survived so long, and was ultimately overthrown by a foreign power. The kind of socialism which was established in Paraguay

was paternal in the extreme; it lacked the advantages of modern production, and would be altogether abhorrent to the modern socialist. Curiously enough, one writer adduces the remark of a traveller, who visited Paraguay when under the socialistic *régime*, that he saw there many discontented faces, as a serious argument against socialism. One may walk down the street of any great American or English city and discover plenty of discontented faces; but he would be regarded as a strange man who, on this account, would want to overthrow the existing social order.

The allegation is made that under socialism there would be no provision for doing the disagreeable work which is socially necessary. We have already seen, however, that there would be reason to anticipate that if socialism could be made to work at all, far more of the disagreeable work than at present would be performed by machinery. Moreover, much of the work which is now considered unpleasant is so esteemed because of the associations which form no necessary part of it. Hoeing corn is not unpleasant work; on the contrary, it is agreeable work when not continued too many hours a day, say not over eight or ten, and when hoeing corn gives one agreeable companionship. When an educated and cultured man, however, finds that hoeing corn brings him the constant and exclusive companionship of uneducated and degraded men like, for example, the ignorant negroes of the far South, it becomes most intensely disagreeable. It is the associations of work which, so far as nearly all work is concerned, render it agreeable or disagreeable, provided, of course, one is strong and well and is not overtaxed. Should there remain still some work positively disagreeable, it would not seem, after all, unfair

that this should be distributed to a certain extent among all the members of the community, rather than heaped upon a few wretched individuals, who thus have to bear disproportionate burdens. It does not seem fair that one class should be made wretched for the sake of the community as a whole, unless it is absolutely necessary, in order that the work of civilization may go forward. It cannot be claimed, however, that there is any social necessity for this concentration of disagreeable work upon a few.

All this reminds one of the argument against socialism so current in Germany, which is called by that tremendous name, "*das allgemeine Stiefelputzenmüssen.*" This means simply that every one must black his own shoes. Will it, after all, interfere with the highest development of culture if each one should black his own shoes? The scholar in Germany rarely, if ever, performs this service for himself; but in America he ordinarily does it, and it would probably be hard to find an American scholar who would say that he found the performance of this task a serious obstacle in the way of the fullest unfolding of all his powers. We are reminded of the question which Abraham Lincoln put to the Englishman who told him that in England no gentleman blacked his own boots. "Whose boots does he black then?"<sup>1</sup>

Another current objection to socialism is that it will not know how to deal with the idle. We have already seen, however, that socialism alone proposes the complete abolition of the idle classes. So far as the idle poor are concerned, we do not hesitate in present society to send them to the penitentiary, or, in the South, to put them

<sup>1</sup> For some sensible remarks on this subject see "Die soziale Frage eine sittliche Frage," by Prof. Theobald Ziegler, p. 177.

in the chain gang when they become paupers and tramps. We do not hesitate to apply whatever physical force may be required to make a man work now, if he lacks the means of subsistence, and it cannot be necessary to apply greater compulsion under socialism. Socialists, however, hope that the desire of men to lead idle lives will disappear, or nearly so. The one who looks at this question with cold impartiality will hardly be inclined to share the enthusiastic hopes of the majority of socialists in this respect; but, at the same time, it is instructive to learn that in the communistic settlements idleness has been one of the least difficult factors with which their members have had to contend.

These illustrations of fallacious arguments against socialism serve to throw light, it is hoped, upon the true nature of the problem with which we are confronted, and to clear the ground for those serious objections to socialism which seem to very many to be decisive against its proposals.

## CHAPTER III.

**SOCIALISM TOO OPTIMISTIC WITH RESPECT TO THE FUTURE, AND TOO PESSIMISTIC WITH RESPECT TO THE PRESENT.**

BEFORE we consider special objections to socialism, we will direct our attention to those of the most general character. First of all, certain weaknesses in socialism as ordinarily presented will be noticed, which objections do not, of necessity, adhere to socialism in itself.

If the question is asked, what is necessary to establish socialism, the answer cannot be difficult. It must be shown that socialism, while having its difficulties and its objectionable features, is, on the whole, preferable to the existing social order, both with respect to its characteristics when once introduced, and with respect to its promises for the future. It is conceivable, for example, that although socialism may be better than the present order when first introduced, it may not have in it the same potentiality of further improvement. This brings us to the first valid objection which may be urged against socialism, in its ordinary presentation at least. It is both too optimistic and too pessimistic. It is too optimistic with respect to the future, holding that conditions will be introduced which, on sober examination, seem incompatible with the existence of human beings upon an earth like ours. On the other hand, socialism is too pessimistic, as ordinarily presented, with respect to our present social order. The evils of our present system are

vast enough, and every effort to remove them, or to increase the good in the world, deserves cordial approbation. But it may not by any means be affirmed that the present order is without its bright side. If there is a most wretched class, the submerged tenth, there is also a very large class whose needs are fairly well satisfied, and along many lines there has been decided improvement, which is still in progress.

Socialism is too optimistic with respect to the possibilities of wealth creation under socialism. Socialists describe a condition of things in which everyone shall enjoy all those comforts and conveniences which now fall to the lot alone of those whom we regard as wealthy. The possibility of living in a condition of what would now be called luxury is held out to the masses as an inducement to adopt socialism. The necessary limits to the production of wealth found in external nature and in the possibilities of social organization are overlooked. There is no difficulty, to be sure, in regard to the production of cotton or wheat. There is reason to suppose that it is possible to supply all human beings with all that they can need of certain staple articles, although it becomes apparent that this means an immense extension of production, when one reflects upon the millions of human beings whose elementary wants are unsatisfied. There are articles of ordinary consumption which could not, without great difficulty, be so increased that all human beings, even in what are now the civilized parts of the world, could enjoy as much as they would like, or, let us say, equal the consumption of the wealthy at the present time. Meat might be mentioned as one of these articles. The production of meat requires an extensive use of natural resources, and with all the improvements

in the means of communication, its retail price seems to rise rather than fall. Should the consumption of meat be very greatly increased it would be attended with more than proportionate increase in the cost, because, either it would be necessary to use more expensive land for raising cattle, or more remote regions would have to be exploited.

The proportion of one's income used in the purchase of those staple articles of production which can be increased very greatly decreases as one's income increases, and it is only a small proportion of the income of the wealthy which is thus employed at the present time. If one examines into the essential conditions of the life of a family which is in marked degree what we call comfortable, not to say luxurious, it will be found that it implies the continuous exertions of several human beings, especially in the way of personal services. Personal services are necessarily limited in amount, and invention cannot increase this amount, although it may, to some extent, lessen the need of these services. Manifestly, not everyone could live in a condition which would imply the personal services of some one else. This means a great deal, and to see how much it means, it is only necessary for those who are familiar with the various parts of the United States to reflect upon the conditions of life in portions of the country where personal services are scarce and high in price. A person of moderate means coming to the North, or to the far West, from the South, will say life is hard. It is one of the most common expressions used by housewives under such circumstances. When we examine into the conditions, what do we find it is that makes life hard for those who complain, except the scarcity of personal ser-

vices and the difficulty of securing them? Manifestly, under socialism, servants would be relatively few, or would practically disappear. This may have its bright side, but unquestionably it has also its dark side. It is hoped that household service may be better organized, and things now produced within the home, be produced outside the home. There is a tendency, even now, to carry production outside the home into the factory; but this by no means obviates all the difficulties and objections which would attend such a change. Frugal comfort for all, with large public expenditures, and opportunities for common enjoyment in museums, art galleries, parks, etc., would seem to be the most for which we could hope, even if the plans of the socialists were capable of being reduced to practice.

It is perhaps true that adherents of the existing order are, in a measure, responsible for illusions in regard to the possibilities of wealth creation. We hear it claimed that a single individual has added to the wealth of the country, by his own exertions, one hundred millions of dollars. If it were possible for any human being to add so much to the wealth of the country, or to that of the world at large, the wildest hopes of the socialists with respect to the future might not be ill-founded. When we examine, however, into the processes by which vast wealth is acquired, we find that we cannot admit the claim that it is possible for any human being to add one hundred millions to the store of existing wealth. When such a fortune has been acquired, it means simply that some one has been enabled to appropriate this large amount of wealth. He has established claims which have that value upon present and future production. His methods may have been legitimate and proper, but

that does not alter the fact that the fortune is an unearned one, so far as concerns the individual who enjoys it. The process of railway consolidation is responsible for vast fortunes; but this railway consolidation was something which lay in the nature of the enterprises themselves, and certain individuals were in a position to reap the advantages of the natural evolution of railways. The individuals who enjoy these fortunes could not have prevented the consolidation if they had desired to do so. No one need blame them nor find fault with them, as long as they employed proper methods. On the contrary, the blame must then rest upon society, because society made it possible for individuals to appropriate gains which should have gone to society as a whole.

Socialists are too optimistic with respect to the possibilities of change in the near future, or rather let us say in a future so near that we need to concern ourselves with it. We here encounter difficulties in the way of socialism which are largely psychological in nature. Socialism implies a new economic world, with new habits of thought, and new motives. Whereas men have been accustomed to view the everyday work of life from one standpoint, they must learn naturally and spontaneously to look upon it from a different standpoint, if socialism is to work well. This is not merely a question of improvement in human nature, but a question of those psychological habits which would enable men, under radically different social institutions, to appreciate adequately the line of conduct calculated to promote their own interests.

Men are deceived by the rapidity with which political changes have been effected, and with which changes in the modes of production have been brought about. Polit-

ical forms do not touch in marked degree the everyday life of men. Constitutions come and go, but the ordinary farmer or artisan scarcely appreciates the difference. Yet even political changes often require more time than we are apt to think. Has it not taken a hundred years to establish a republican form of government in France upon a firm basis,—if we grant that even now it has become permanent in France?

Men have to learn to feel themselves republicans. Republican government has to become a part of their habitual consciousness in order to make it secure. The changes in the modes of production have been far more far-reaching, but they have largely been forced upon men by conditions beyond individual control, and even then have not changed, except slowly and gradually, the most fundamental institutions. They have been productive of no change which would correspond to the complete substitution of public industry for private industry.

Some one might hold that, slowly and gradually, as the result of evolution, partly spontaneous and partly socially controlled,<sup>1</sup> we should, at the expiration of a long period, say three hundred years, come to a socialistic state. Such a person, however, would be merely a speculative socialist, and not a practical one. Ordinarily speaking, we can call only those socialists who hold that socialism is near enough so that we ought to shape our action practically with reference to it. So far as the remote future is concerned, the wise man will be very slow to attempt any thing like prediction. We can see forces working in a certain direction at the present time, but we know that

<sup>1</sup> The exact technical term would be socio-teleological, that is change self-consciously guided by society with reference to desired ends.

society, in its development, does not move in a straight line. It seems at one time to move in one direction, and latter in an almost opposite direction; and so it is frequently said that social progress is more like a spiral than a straight line.

Socialism is too pessimistic with respect to the present, because it fails to appreciate adequately the secondary distribution of property brought about by what may be technically called the charitable principle in distribution. The charitable principle is the principle of fraternity, or benevolence. The distribution of property effected by this principle of benevolence is chiefly secondary distribution. After men have acquired property through the primary processes of production and distribution, they frequently distribute it according to quite different methods. A man who enjoys an income of one hundred thousand dollars a year may use a large portion of this income to ameliorate the inequalities and injustices which result from the primary economic processes. He may, for example, educate a poor but promising young person, and give him every opportunity to develop all his talents; and with another part of his surplus income he may relieve the necessities of the aged and infirm.

It is easily possible to exaggerate what may be effected by the charitable principle in society, and the general tendency is to rely too much upon it. At the same time, it is a grievous error to overlook it altogether, or to regard it, as the socialists usually do, as entirely insignificant.

We may similarly object to socialism, that socialists under-estimate the services rendered by the capitalist and the captain of industry in the present society. Our industrial leaders are those who give us our present industrial organization, and their services are necessarily

arduous, requiring the exercise of unusual powers. We are not now speaking about the drones who are living upon the past toil of themselves or their ancestors, but about those who are actually employed in industrial leadership. Such men frequently sacrifice themselves, and what is best in life, in their efforts to guide industrial society. They put at stake their wealth, and they plan ceaselessly to utilize the forces of production to the best advantage. Frequently they achieve remarkable success, resulting in a multiplication and cheapening of commodities. Their efforts often result in a better utilization of natural forces, and open up new sources of wealth. We must, on the one hand, not underrate, as the socialists are so much inclined to do, the inherent difficulties in industrial management; and on the other, we make a mistake if we fail to remember the hesitation and timidity which is apt to attend collective action. Capitalists will frequently risk millions of dollars in an undertaking which is so uncertain that one would hesitate to recommend it to the representatives of the collectivity, whether these representatives be the legislators of the present state, or the administrators, so-called, of the socialistic state. The author is not disposed to dwell too much on this weakness in socialism. It is quite possible for society to secure better leaders than those now elected to serve it, and changed circumstances might develop a sufficiently daring public spirit.<sup>1</sup> But those who advocate socialism should do so fully conscious of the services which capitalists render in their personal efforts, and in the risks which they take, and also be well aware of the difficulties accompanying general social action.

<sup>1</sup> Public authority in New Zealand has been more adventurous than private persons in opening up the resources of the country by the extension of railway lines, and by other undertakings.

Socialists are too pessimistic with respect to the present society, because they underestimate the possibilities of developing the social side of private property. Private property has two sides, the individual and the social; but the social side is dominant. Private property is, according to its necessary idea, maintained for social purposes. It exists for the sake of society, and this suggests great possibilities of development, which are still compatible with the existing industrial order. We may keep private property in the instruments of production in the main, and yet introduce serious modifications in the institution itself, to enable it better to subserve social purposes. At the same time, we can extend along certain lines public property, even while allowing private property to remain dominant. An adherent of the existing social order may thus take the position that things have become private property which, according to their nature, should be public property, and that private property in its own sphere includes rights which are no necessary part of it. It was the possibility of developing the social side of private property which led John Stuart Mill, in one part of his "*Political Economy*," to declare against socialism; for he maintained that we must first know what improvements are compatible with private property, before we decide to abandon the institution itself. He declared frankly, that had he to make his choice between society as it exists to-day and communism, then all the difficulties of communism, great and small, would be but as dust in the balance. But he maintained that this dilemma was not forced upon us, because we had never yet given private property a fair trial.

## CHAPTER IV.

### THE DANGER OF THE DOMINATION OF A SINGLE INDUSTRIAL PRINCIPLE, AND OF THE INEVITABLE CONCENTRATION OF DISSATISFACTION UNDER SOCIALISM.

WE cannot expect the best results in civilization, unless within it many different principles operate. The claim has been made, indeed, that the domination of a single social principle, as for example the military principle, has caused the downfall of older civilizations, and it has been shown by a thoughtful observer of American life, whose utterances are always fruitful in suggestion, that mercantilism has been the bane of American life heretofore.<sup>1</sup> Mercantilism, as thus used, means the principle of private business. There can be no doubt whatever, that the domination of this principle has caused vast harm to the United States, and that it is even a source of grave danger to our institutions. The custom has been growing of looking at men and measures from the commercial standpoint. Too often everything, including character itself, has been regarded as something which can be estimated in dollars and cents, and the idea that anyone can be actuated by any other than mercantile considerations has been greeted by a large class with scepticism and even mockery. The principle of private business has invaded government, and

<sup>1</sup> Ex-President Andrew D. White, in the address entitled "The Message of the Nineteenth Century to the Twentieth."

office itself has been considered not as a trust but as an article of merchandise. Political contests have been reduced to a struggle for "boodle;" and the suggestion that something higher should dominate practical politics has been scornfully rejected as what is called "Sunday-school politics," while the saying that every man has his price finds believers on every hand.

Socialism, however, proposes to go to an opposite extreme, instead of seeking the golden mean. Socialists want to abolish the principle of private business, to substitute for it the collective industrial principle, and to make that dominate our life to a greater extent than it is now controlled by mercantilism. While the evils might well be expected to be different from those we now experience, it is to be feared that they would by no means be less. The principle of private business has its own place, it would seem, in civilization. There are many persons well fitted to render service to their country in private business because they love bold and daring ventures, and individual initiative is indispensable to the unfolding of their powers. These same men are frequently unfitted, by their very excellence in the field of private business, for public life, which operates quite differently, requiring a careful elaboration of plans and a submission of these plans to boards or councils, which hold men accountable for all that is done, as well as all that is left undone.

Public life, on the other hand, has its charms for many, and requires special preparation if it is to yield its largest results. Many men are better qualified for public life than for private life, as we see from the fact that some have rendered distinguished service to their country in office, who have not succeeded in private in-

dustry. Mercantilism in the United States has not made adequate room and provision for those who would gladly give themselves the best possible preparation for usefulness in public office, and has thus deprived the country of great benefits which might have been received. But socialism, while providing amply for the employment of those adapted to public life, would not make provision for the large and numerous class best fitted for private industry.

Far more serious than the objections to socialism which have already been mentioned is the concentration of dissatisfaction which would be inevitable under socialism. Socialism means the unification of production. But even if socialism worked well, there would still be a vast amount of dissatisfaction, more or less well-founded, with the commodities and services furnished to the masses of the community. At the present time the dissatisfaction with material conditions is immense, but it is diffused among a multitude of persons, and thus the burden is borne. We are dissatisfied with the milkman because he uses the pump too freely, but soon our dissatisfaction is diverted into another channel by annoyances in the kitchen. The unsatisfactory service of the cook, however, is presently placed in the shade by exorbitant express charges, and these again are forgotten in the indignation which is experienced when we receive a gas-bill too high by one hundred per cent. Thus it goes throughout life; and one reason why we bear with such extraordinary patience poor services and other abuses in the field of private industry, is because our dissatisfaction is diffused among so many, and no one person or group of persons has to bear the entire load of our indignation. How different it would be under social-

ism becomes apparent when we reflect upon the present popular attitude with respect to government. Not only do we not appreciate the excellences of government services as we would if they were rendered by private corporations, but we have only a fractional part of the patience with the weaknesses and mistakes of government which we have when we must endure the result of similar weaknesses and mistakes of private individuals or private corporations. A comparison of the services rendered by the post-office and the express companies is quite to the point. The post-office renders better service on the whole for far less money, and it takes much more trouble to accommodate the general public. The efforts and the success of the post-office in tracing addresses and in delivering letters and parcels to the one to whom they are sent are little short of marvellous. The author, when living in Baltimore, has frequently received mail packages sent by mistake to Boston, and when packages and letters have been sent to Baltimore it seemed to make no difference whatever how they were addressed, as they always reached him safely and quickly. Elsewhere he has had similar experience. Everyone who has had experience with the express companies knows that they make little effort to find one, and if they do not at once discover the address of the person to whom a package is sent, they frequently drop a postal card into the post-office with the same address as that given on the package, and the post-office has no difficulty in finding the person not discovered by the express company. The express companies have regular printed forms on postal cards for informing persons that it has not been possible to find them, and then these postal cards are addressed as the express parcels have been. It may not

be out of place to give one illustration. Some time since the author had occasion to send a parcel from Madison to Washington, but the parcel was misdirected to a wrong number of the street. The express company sent a postal stating that there was no such number and the parcel could not be delivered. The person to whom the parcel had been sent was notified by a postal card misdirected just as the parcel had been, that the parcel was awaiting him at the express office, and the postal was delivered promptly. So far as speed is concerned, the author may say that for some five years he had occasion frequently to use both the post-office and the express companies, and he never knew an instance in which the post-office parcel did not reach its destination sooner than the express parcel, when both were sent to the same place at the same time.<sup>1</sup> Others who have tried experiments of this kind, or who will reflect upon their experiences, will be able to substantiate what is here said, and yet the facts are far from being generally appreciated. It is supposed that a safety and celerity greater than the facts warrant are furnished by the express company, and the responsibility for loss, which it is generally believed the express companies bear, is frequently rendered illusory by devices too numerous to be mentioned.

Many services rendered by private corporations are such in quality that they would not be tolerated were they public services. Let the reader, when making a journey on a railway, imagine it operated by the govern-

<sup>1</sup> The manuscript of the present work serves as a good illustration. At the request of the publishers it was sent by express to Boston, Mass. It was given to the express agent in Madison, Wis., March 15, and was delivered in Boston five days later; namely, March 20. Had it been sent by mail at the same time, it would have been delivered March 17.

ment, and ask himself what objections would be made to the service, provided its quality should not change at all. When the author made a trip from Baltimore, Md., to Dunkirk, N.Y., *via* Rochester and Buffalo, some time since, it occurred to him that it would not be an altogether bad idea, imitating Mr. Bellamy, to dream that our railways had passed under government ownership, and were controlled by the government; and then to describe the trip as it actually occurred, pointing out the annoyances and inconveniences suffered, and to show how such annoyances and inconveniences would be impossible with a system of free private industry, with its natural desire to please. The line of argument used by so-called orthodox political economists of the present time with regard to private enterprise could be followed. Attention would first be called to the fact that the upper berth in the sleeping-car was lowered, although it was unoccupied; then to the fact that the oil lamps smoked and gave a feeble light, although railways elsewhere had adopted electric lighting or gas, even in the second-class passenger coaches; and further, to the fact, that such a little convenience as a hood to cover the lamps, and to prevent their shining into the eyes of some of the occupants of the upper berths, had not been adopted. It could be shown conclusively that all these abuses could only exist under a system of government ownership. Attention would then be called to the fact that passengers were obliged to wait three-quarters of an hour in Rochester, and five or six hours in Buffalo, where a change was made from the New York Central to the Lake Shore Railway, the Lake Shore train leaving according to schedule time, five minutes before the New York Central train arrived. It could be proved beyond all doubt that under a private

system such gross neglect of the convenience of the travelling public could not possibly take place. After a description of the trip, as a dream of experiences under government ownership, the dreamer would wake up and find that it had all actually taken place under private ownership. Then the query would be, "How could it happen?"

Had the classical economist visited Baltimore a few years ago, under the impression that the street-car lines were owned and operated by the city, it is easy to imagine what he would have said. The accommodations for the public, at certain times of the day, were entirely inadequate, and travel was slow, almost beyond comparison. Our economist, under the hypothesis mentioned, would have repeated for us the old phrase: "The government stroke is slow," and the people would have been invited to try active, alert private enterprise. This same person visiting the street in Baltimore called the York Road, would have found it as disgusting a city street, perhaps, as could be found in any city which could with reason boast of a considerable degree of wealth and culture. Looking at the muddy, ill-kept street, poorly paved, full of depressions filled with water, and turning his eyes to the street-car tracks, elevated several inches above the surface,—an unsightly inconvenience,—and observing the general absence of sidewalks, and the poor quality of the walks where they did exist, he would have said: "This is conclusive against municipal enterprise." Careful inquiry would have revealed the fact, however, that all which he beheld was, like the street-car lines, private enterprise; for the York Road was a toll-road, the unsightly and inconvenient car tracks were maintained by a private corporation,

and the sidewalks, where they existed, were purely individual enterprises.

These illustrations might be continued indefinitely. It has been necessary to give such illustrations at some length, because they are of great importance in illustrating the fact that any careful observer will notice that we are more impatient with government enterprise than with private industry. We are dealing with psychological phenomena. If we had collective management of industry, the collectivity, or those administering it, would be held responsible for whatever did not suit us; and the psychological result of this concentration of dissatisfaction would be a revolutionary state of mind.

The outcome of socialism, then, it is to be apprehended, would be such an amount of dissatisfaction that one of two things would happen: either socialism would result in a series of revolutions, reducing countries like England and the United States to the condition of the South American republics, and rendering progress impossible; or the dissatisfaction would cause a complete overthrow of socialism, and a return to the discredited social order.

It may be said, in reply, that the higher standard which would be set for government enterprises argues a strength in socialism. This is only true providing that we have a more intelligent and philosophical population than any population which can anywhere be found at present. It is, however, an argument for the extension of government industry along certain well defined lines, as fast as public opinion can be educated in such manner as to appreciate and to support public enterprise.

Closely connected with the weakness of socialism, which has just been discussed, is the objection that the selfishness of designing and unscrupulous men interposes

obstacles in the way of progress in the direction of socialism. Such men, even now, utilize unwarranted dissatisfaction with government for their own advantage. They exaggerate any weaknesses or shortcomings of government, and take pains to fan the flames of discontent, if thereby they can get into their possession the business which has heretofore been a public service. The gas-works of Philadelphia furnish an illustration. From time to time men have formed combinations for the purpose of gaining control of these gas-works, in order that they might reap the enormous returns which they would yield to private parties under private management. When the gas in Philadelphia has been poor, the organs of this ring have talked about it, and have told the people that no other city in the country had such poor gas, whereas one who had travelled extensively at all could see that this was an entirely false statement. Every defect in municipal management was exaggerated, every merit was minimized.<sup>1</sup> Not only was the press of the city, at least with few exceptions, operated in behalf of this scheme, but the municipal council was at one time very nearly captured. It required a great effort on the part of the best elements in the city to save to the city this valuable property. Since that time, it is hoped that the public in Philadelphia has been so enlightened, that a further attempt of private parties to secure the gas-works would be unsuccessful. But this illustration shows how slow and difficult progress must be in the direction of the socialization of industry.

<sup>1</sup> It is even claimed that those who wanted to purchase the gas-works used their influence in the council to defeat appropriations needed for the improvement and extension of the gas-plant, thus doing what they could to make the service poor.

## CHAPTER V.

**SOCIALISM A MENACE TO LIBERTY.**

THE danger to liberty, which it is urged socialism would carry with it, is usually mentioned as the chief objection to the proposals of the socialists. The line of argument adopted by those who claim that socialism would be dangerous to liberty is a familiar one, and need not detain us long. We may say that at present there are two spheres of occupation, the public and the private, and that each offers an escape from the other. He who feels that he is restrained or oppressed in the public service may seek relief in private employment, or he may endeavor to establish a business of his own. On the other hand, those who are oppressed in private employment often find a refuge and a larger freedom in the public service. There would, under socialism, be only one considerable sphere of employment, and there is reason to fear that the inability to escape from the public sphere would compel the submission to onerous and tyrannical conditions, imposed by the administrative heads of the business in which one might be engaged. But even this is not all, because it is claimed that private employment, on account of the multiplicity of employers, affords greater protection against oppression than does public service; consequently, that the sphere of occupation offering the chief guaranties would be reduced to insignificant dimensions. We are admonished, furthermore, that parties must always exist. Differences

of policy, or personal quarrels, giving rise to political dissensions, would exist under socialism as well as in a competitive society. Would not the dominant party punish opponents? Naturally, it would be impossible to dismiss one from the public service, but one could be oppressed otherwise. It is quite possible to worry and annoy an obnoxious employee, and to favor one whom it is desired to favor, in a thousand and one ways which can be felt, but not formulated and defined in such manner that they can be made the subject of legal proof and formal complaint.

The socialists, however, do not lack for a rejoinder to these current objections, although their reply may not be regarded as a sufficient answer. We must, first of all, notice that socialists have a somewhat different conception of liberty from that which usually obtains. They have their minds fixed upon economic liberty, rather than political liberty. They desire that every man shall have a voice in the control of industry, and not be subjected to rules framed by others. But this is not all. They perceive that the chief restrictions upon freedom of movement at the present time are economic in nature, and in this they are quite correct. Any one who will reflect upon the things which he desires to do, and upon those restrictions which keep him from acting in accordance with his desires, will soon discover that the restrictions upon his movements rarely proceed from government, but generally have their origin in lack of resources. A poor man wishes to spend the winter in Egypt because he has consumption. No statute stands in the way, and yet he is as unable to go as he would be if prohibited by ten thousand legislative enactments. But this is not all. Restrictions proceed from lack of

economic resources, and compulsion is connected with our economic necessities. We see men in society coming and going as bidden by others. A few men, comparatively, say to thousands and tens of thousands "go," and they go; "come," and they come. We can witness this in any factory. We have simply to step out of our houses into the streets to find the many obeying the commands of the few. Why do they do so? Are they compelled to do so by statute law? Only in rare cases. Where, then, is the seat of authority? It is found in private property, which, according to its very definition, carries with it the right to exercise control over other men with respect to the objects of private property. Consequently, we hear the socialists using the expression, "wage-slave," — a slavery which they maintain arises out of the nature of the present society. We must have authority if we are to have industrial organization. But what shall be the seat of authority? This brings us at once face to face with one of the critical points in socialism. Will authority be more wisely exercised when it finds its seat in government than when it finds its seat in private property? Or is it perchance a mixed system which affords the greatest guaranties of full and free opportunity for the development of all our faculties?

The socialists have yet something else to urge. They tell us that the ideal freedom in industrial life, which many have sought, is that which belongs to an earlier stage of economic development; namely, the stage of small industries. When production is carried on on a large scale, men must act together. This cannot be otherwise. But socialism proposes that the workers owning the tools of industry shall themselves partici-

pate in the enactment of the regulations which they must obey. They also evidently regard the material sphere of existence as merely a means to an end; and they look to the time, free from toil, which they expect socialism will give them, and the resources which they will then enjoy, for the best opportunities of free development and free movement. The main thing with them seems to be liberty outside the economic sphere; and now they claim they do not enjoy this. The position of the socialists in this respect will, perhaps, be made clearer by two quotations taken from writers who very well describe the socialistic position, although, possibly, they are not themselves avowed socialists.

“What is liberty with long hours and low wages? Is it liberty? Can liberty exist with long hours and low wages? What rubbish it is to say that we enjoy liberty, when we work for a bare subsistence, and toil only to keep body and soul together; and at that, only succeed in doing so for a short time. Look at the condition of the masses. What is life or liberty to the majority of them? Life is a burden, and liberty a mere mockery. For the exploiters, it is different; they enjoy life and liberty through big profits.”<sup>1</sup>

“The Declaration of Independence yesterday meant self-government; to-day it means self-employment, which is but another name for self-government. . . . Not as an exception, but universally, labor is doing what it does not want to do, and not getting what it wants or what it needs. Laborers want to work eight hours a day; they must work ten, fourteen, eighteen. Crying to their employers, to congress, to legislatures to be rescued, they go down under the murderous couplers and wheels of the railroads faster than if they were in active service in war, marching out of one battle into another. They want to send their children to school; they must send them to the factory. They want their wives to

<sup>1</sup> From the Paterson *Labor Standard*, quoted by the *Carpenter* for November, 1893.

keep house for them; but they, too, must throw some shuttle or guide some wheel. They must work when they are sick; they must stop work at another's will; they must work life out to keep life in. The people have to ask for work, and then do not get it. They have to take less than a fair share of the product; they have to risk life, limb, or health—their own, their wives', their children's—for others' selfishness or whim. They continue, for fear, to lead lives that force them to do to others the cheapening and wrongs of which they complain when done to them.”<sup>1</sup>

There are, moreover, not wanting those who claim that the public service, even to-day, is that in which there is found the greater liberty. The workingmen of Belgium, we are told, prefer to work in the government railway shops rather than in those belonging to private railway corporations; and in Germany, we do not see that railway employees have suffered any additional restrictions upon their liberty since the railways passed under public ownership and management. The interferences of private corporations, both with their employees and with others who are obnoxious to them,—in short, their general tyranny and oppression,—are further cited. In all fairness, it should also not be forgotten that those universities which taught the world the value of freedom in learning and in imparting instruction are the German state universities, which are, perhaps, those to-day offering greater guaranties to professors against interferences with their liberty than do any other universities; and they are undoubtedly far ahead, in this respect, of the private foundations in the United States. The impersonal nature of the state itself seems to afford a certain protection. The state does not follow one up relentlessly

<sup>1</sup> From “The Safety of the Future lies in Organized Labor,” an address by H. D. Lloyd, before the Thirteenth Annual Convention of the American Federation of Labor.

and persecute one continuously, as private persons sometimes do. The state has a poor memory for offences against itself. It is not entirely insignificant that the presidency of one of the most important State universities in the United States was recently offered to a scholar who had attacked State universities very strongly and made, perhaps, as able an argument as one could against their very right to exist.

There is still a further argument in favor of the position of the socialists, although the socialists themselves have frequently overlooked it. A recent advocate of socialism admits that, under socialism, there would be only one employer. But he was not by any means called upon to make this admission. We have, in the United States, some forty-four commonwealths and many local political units, in addition to the national government. While these local political units would, under socialism, have to act, in the main, according to some common principles, it is not by any means necessary that they should all have one administration. There is no reason why the various units, the nation, the State, and the city, or other local political unit, should not be relatively as free in their administrations as to-day. At the present time, one who is oppressed or wronged in the national civil service may frequently find employment in the service of a commonwealth or of a city. It will happen at times that one party will be in power in the nation, another in the State, and a third in the city; and this cannot fail to offer a measure of protection. German professors, in earlier times, who were oppressed in a university in one German state, frequently found protection and opportunities in a university in another state. And why a multiplicity of states should not still afford a measure of

protection under socialism, it is hard to conceive. It is altogether probable that the federal form of government is, on this account, as well as on account of the facilities which it affords for experimentation, that one which is most favorable to socialism. There appears to be no reason why, under socialism, we in the United States should be obliged to abandon any one of our political subdivisions; and it would be a grievous mistake from the socialistic standpoint to denounce the American commonwealth. While some different distribution of powers would be necessitated, it is not clear that the State and the local political unit would not occupy relatively quite as important positions as they do to-day.

The position of the socialists, then, is a far stronger one than is ordinarily supposed, and yet it does not appear to the author of the present work entirely satisfactory. He cannot forget that the world's history is a warning against unchecked and unfettered power. It is true that there would be different political units, affording far better protection than is generally supposed; but even when this is acknowledged, it must not be forgotten what a tremendous power a political faction would have, once it gained control of even a large part of the country. There must be at least some government; and to talk about "administration of things," in the place of "government of persons," does not do away with this necessity. Even if the functions of government should be reduced to the lowest terms compatible with socialism, those in whose hands were centred political and economic control would have tremendous power, however they might be selected or appointed. Nor can we forget the possibilities of combinations between different parties for certain purposes. It would, under socialism, be quite possible for

two or three parties to act together, as sometimes they do now. The frequent assertion that the Democratic and Republican parties have acted together in New York City to control the civil service, seems to be well founded; and it is quite conceivable that two or three parties might act together to promote the interests favorable to a few leaders, and to keep down, if not persecute, obnoxious persons. We have a still better illustration than that afforded by a combination of political parties in a city like New York to control the civil service. The Christian Church and secular governments, in the early centuries of our era, existed as two separate powers. Their spheres seemed to be so entirely different that a person might have supposed that one would afford ample protection against the excesses and abuses of the other; but such was not the case, for now the one and now the other was in the ascendancy, and the one in power used the other for purposes of cruel wrong and oppressive tyranny. We must finally bear in mind the most important fact, that restrictions need not necessarily proceed from the base, but that they can also proceed from the conscientious, and that those restrictions upon desirable liberty which find their foundation in conscience, even if it is a perverted conscience, are most dangerous. Those guilty of oppression in the Christian Church were often men who acted conscientiously. They did that which they believed to be right. Let us suppose that in any country the prohibitionists should gain the ascendancy. The fact that they are such conscientious people would compel them to use every means in their power to prevent the expression of opinions which they might regard as most dangerous. They could hardly prevent the use of the printing-press, but they might

here and there interfere with the right of free and open speech ; and, in control of the central government, they might interfere with the circulation of literature to them obnoxious. The reader may say, “ But I think this is an excellent argument in favor of socialism, because prohibition is altogether a desirable thing.” But, altogether apart from the fact that very many will not agree with him, he should bear in mind that what would be possible with reference to prohibition, would be possible with reference to the free expression and circulation of views on other topics.

## CHAPTER VI.

### OBJECTIONS TO SOCIALISM AS A SCHEME OF PRODUCTION.

SOCIALISM means a unification of industry. It is based upon the hypothesis that it is possible to organize every branch of industry as a unit. It is, indeed, maintained by adherents of the purely evolutionary theory of socialism, that unification or monopoly in every branch of industry is an inevitable outcome of industrial development. If this is so, we would have only to choose between private and public monopoly; and this would mean that socialism was not merely possible, but inevitable, because there could be no hesitation in regard to our choice if we were obliged to choose between the irresponsible domination of private trusts, and socialism, for the latter signifies equally centralized production, but production under the control of representatives responsible to the people.

We are again brought face to face with one of the most difficult and critical question in the discussion of socialism. We see the work of combination and consolidation going on about us. What will be the outcome? We must not shut our eyes to the fact, and we must admit frankly, that universal private monopoly would only mean the final substitution of public for private control; in other words, again, socialism. When we examine the various industries carefully, we find that it is necessary to classify them, for it is by no means inevitable that the

same law of development holds for all. The alleged tendency to monopoly is frankly admitted with reference to a whole class of businesses, which we call natural monopolies. We will return to the discussion of these later; but now attention is called to the fact that they include enterprises like railways, highways, telegraphs, harbors, street-car lines, electric-lighting plants, gas-works, water-works, etc. They also include the exploitation of natural resources so limited in extent that a combination of men can acquire the entire supply. Possibly anthracite coal and petroleum will illustrate this class; perhaps, also, natural gas should be included. As we have admitted the principle of monopoly with respect to these pursuits, we have also admitted that the socialistic plan of production is possible for them. We also observe that collective ownership of all property of the kind mentioned, and the collective management of businesses connected with this property, are possible.

But we witness the existence of trusts outside of this field, especially in manufacturing, and the claim is made that the tendency of manufactures is inevitably towards monopoly. We should always bear in mind, however, the contrast between production on a large scale and monopoly. Production on a very large scale may exist together with the sharpest competition. The question is not whether production will be carried on a large scale, and whether such production is inevitable, but whether it is possible to organize each prominent branch of manufactures as a single whole. Can every main line of manufacturing industry be brought under unified control? is the same question put in a different form. Socialism affirms that this is possible, and some socialists, as we have seen, affirm not only

that it is possible, but that it is inevitable. They assert that every business is a natural monopoly, and that the expression itself, "natural monopoly," is as much out of place as would be the expression "natural adults," with reference to human beings. Every human being becomes in time an adult, and so, they say, every business becomes in time a monopoly. Proof is sought in a long list of trusts and combinations which have been more or less successful. When we look into this list of trusts in manufactures, however, we quickly ascertain that few of them have achieved anything like complete monopoly; and if we examine the list of unsuccessful attempts to form trusts, we shall discover that this is longer than the list of partially successful trusts. What we ascertain in reality is a demonstration of the advantages of production on a large scale, and a few attempts to secure a monopoly which have been partially successful, and a far larger number of cases of failure to establish monopoly in manufacturing industries. So far as any historical inductive proof is concerned, we must say that it is, as yet, lacking. The careful thinker will at least demand time for further observation. He will tell us to wait and see what tendencies are revealed by subsequent industrial development. If we turn to deductive proof, however, no convincing arguments have been advanced to support the hypothesis, either that unification of manufactures is, generally speaking, inevitable, or even possible. We must not overlook the immense difficulty of a management so watchful, so alert, so full of resources, so fruitful in initiative and enterprise, that it can permanently secure better results than a number of smaller and competing manufacturers. We may say, furthermore, that the tendencies to form monopolies

in manufactures can sometimes be explained by a tariff policy favorable to combinations, or by special favors received at the hands of those conducting railways and other natural monopolies, whose services are indispensable.

Naturally, it would carry us too far, and require too much space, to discuss this question exhaustively. We can claim, however, safely, that the burden of proof rests upon the advocates of the theory of monopoly, and that they have not yet produced the proof, so far as manufactures are concerned. Even if certain great lines of manufacturing should be conducted in accordance with the principles of socialism, there would still remain a large number of manufacturers producing on a comparatively small scale, chiefly for local needs, whose productive operations could not well be unified.

Foreign commerce is of less importance, but yet of vast significance, and it is not easy to see how this could be carried on under socialism. A chief difficulty would be the adjustment of values, and the determination of the extent to which international exchanges should be effected. In the absence of a common organization, including the nations making the exchanges, it would seem necessary to fix values and regulate exchanges in accordance with existing methods; and yet, the basis of existing methods in the present order would be wanting. Then there would be the further danger that a nation still capitalistic would, through foreign commerce, impede, if not upset, the arrangements of the socialistic state.

But, even should the position of the socialists be proved with respect to manufactures and foreign commerce, it would further be necessary to prove it with respect to agriculture. Socialism means that socialistic production

and distribution is to dominate our economic life, and should every other pursuit be conducted according to the principles of socialism, and agriculture be left out, we should have something very different from socialism, because a large proportion, and, in many countries, more than half the population, would not be included within the socialistic organization. It can safely be asserted that no plan which is even plausible has been adduced for the organization of agriculture according to the demands of socialism. The tendency to production, even on an increasingly large scale, is so uncertain that it does not seem to have received clear historical and statistical proof. An examination of the results of historical and statistical inquiry leaves us in doubt. The German socialists rely greatly upon more or less correct reports of farming on a large scale which they receive from the United States. They attribute the effectiveness of American agriculture in competition, to the use of improved machinery, and to the introduction of capitalistic methods in American farming. They dwell largely upon the stories told of the so-called bonanza farms. The careful observer in America, however, sees many different tendencies at work. While in parts of the country, especially where a few great staples dominate, agricultural production is in some instances conducted on a very large scale, elsewhere the large farms are divided and subdivided: and practical farmers frequently claim that he who would attain the best results must be careful not to attempt farming on too large a scale. Every one who has had experience of farming in the United States knows that many have found it decidedly to their advantage to sell a part of their land, and to restrict the scale of their operations. At one time, in-

deed, the feeling in favor of farming on a small scale found expression in the watch-word, "Ten acres enough!" Generally speaking, when, in any part of the country, we find farmers passing over from extensive to intensive agriculture, the tendency seems to be to break up the large farms into smaller farms. An illustration which has fallen under the observation of the author is that of grape culture in western New York. This grape culture took the place of general farming, and especially the production of milk, butter, and cheese, and resulted in a great increase in the number of holdings. Many parts of the country are so varied in the quality of the soil and in situation that production must be carried on on a small scale to secure the best results, because the farmer must know every acre of his land accurately. One field of five acres will be especially well adapted to barley; another field of twenty acres is an excellent meadow; possibly a tract of land including thirty acres is best adapted for pasturage; while a field of five acres at the opposite extremity of the farm, which alone of all the farm has a gravelly soil, is best adapted to small fruits. Facts like these are overlooked by those writers, especially foreign writers, who appear to imagine that the whole of the United States resembles certain portions of the Northwest, where land is found with soil evidently uniform in its situation and qualities, and where the production of one or two staple articles, by extensive agriculture, is advantageous.

Now, if all this is admitted,—and it certainly cannot be maintained that the opposite has been proved,—the socialistic position is untenable with respect to agriculture. Socialists themselves acknowledge that private ownership of the soil is required for the pursuit

of agriculture on a small scale.<sup>1</sup> The unification of agriculture as a pursuit requires not only careful knowledge of all the land which is under one management, but it implies a unified organization of labor. There must be some central administrative authority, which can have supervision over all the workers, assigning to each one his task, and able to see that he performs it faithfully. Production on a large scale, under a single management, whether this be public or private, implies something like a military organization. We readily see how this can be applied to railways and like pursuits, and to many branches of manufacturing, but it is not clear that it is applicable to agriculture. On the contrary, the difficulties in the way of such an organization of agricultural workers seem to be insurmountable. The successful farmer keeps a constant watch over all his force; they are under his eyes continually, and the geographical extent of agricultural operations limits the possibilities of unified management.

There is, furthermore, reason to fear that socialism does not supply adequate motives for economic activity to men so imperfectly developed as those with whom we must deal. Competition is one of the chief motives, although not the only motive, keeping in operation the wheels of industry at the present time. Competition, in the large sense, means the struggle of individual interests on the basis of the existing social order, which includes, as its fundamental features, private property,

<sup>1</sup> This view is expressed by Kautsky in his "Erfurter Programm," and is characteristic of a purely evolutionary socialism. A Fabian socialist raises the question whether we could not have public ownership of land, with private management. Possibly; yet this would give us something quite different from pure socialism.

freedom of person, free contract, and vested interests. Competition means the freedom of an individual acting upon the basis of the existing order, and otherwise within certain legally established limits, to care for his own interests in economic affairs, — to secure the highest price obtainable for the goods and services which he desires to dispose of, and, on the other hand, to procure goods and services at the lowest prices which he can induce any one to accept. Free competition means rivalry and conflict, because manifestly when several persons are seeking the same thing not all can get it. It signifies the attempt of different persons to render the same service or to sell the same kind of commodities to a given person. If one is accepted, the others must be rejected.

Competition has been called brutal, and it is so in many respects. It crushes human beings by the thousand, and continually throws out of the industrial field an immense amount of human rubbish, which is unable to maintain itself in the competitive world. We may take the case of manufacturers competing with one another. Each one tries to sell his products, and often to exclude others from the market. Other things being equal, the larger the sales the larger the gains of the manufacturer. But when several are trying to sell goods to the same person, the one who offers the goods at the lowest price will be the successful person under the system of free competition. The question, then, which confronts the manufacturer is this: How to produce goods at the lowest price, if possible at a lower price than others, and in vast quantities? As the cost of labor is a principal item in the entire cost of the product, the first thing which suggests itself is to reduce wages, then to extend the length of the working day, which

means procuring a greater amount of labor for the same pay, then to drive labor more remorselessly, and then to replace the labor of grown men by the labor of women and children, who ought not to work away from home at all. These instances might be multiplied indefinitely, and socialists have portrayed them vividly, and deserve praise for forcing them upon our attention.

Another class of evils connected with this rivalry in buying and selling comprises those which find expression in poor quality of workmanship, in the use of inferior materials, in the adulteration of products, all designed to deceive the ultimate purchaser, and make him think that he is getting something different from that which is really offered him. It is not possible, then, to entertain the exaggerated claims often put forward in behalf of competition. The modern competitive system has not existed long, but it has produced much evil. It is not by any means the exclusive force which has brought about the present civilization, and to claim that it has given the modern wage-earner a more desirable material existence than that enjoyed in earlier ages by kings and nobles is an absurdity which it is only possible for those to maintain who entirely fail to appreciate the essential elements in comfortable living on the material side.

It must still further be admitted that progress frequently lies in the suppression of competition, which is the contest for material gain, and the substitution therefor of emulation, which may be regarded as the struggle for approbation. Our law and medical schools, and educational institutions generally, have improved precisely in proportion as they have outgrown the competitive principle. Those medical schools which are still conducted as private institutions designed to secure the

highest pecuniary returns to their managers, are inferior institutions, which bring disgrace upon the medical profession in the United States. We call their condition one of degradation. That university which is conducted on the principles of commercial competition is a poor affair indeed. It is in particular unfortunate that the salary of a professor should have any connection with the success of the institution which employs him, if "success" is used in a competitive sense. As the superior schools of the country, however, have improved, a strong spirit of emulation has been increasingly substituted for the competitive principle. Hospitals conducted according to mercantile principles are viewed with suspicion; and if it is known that a hospital in any part of the country is in no sense dependent upon its earnings, and that the physicians care little about these, that hospital unfailingly inspires confidence. The same holds in still higher degree with respect to asylums for the insane. Public management has sins enough to answer for; but it would be hard for public management at its worst to duplicate the abuses and atrocities connected with the care of the insane in England, when it was left to private competitive industry.<sup>1</sup> Literature is mean and contemptible when it falls under the domination of competition; and architecture has achieved its grandest triumphs when competition has been weak in society.

On the other hand, it should be acknowledged freely that competition has led to numberless inventions and improvements in the technical processes of production, and that it has played a very large part in the material progress of the present century. Oppression and degra-

<sup>1</sup> Cf. the description given in Hodder's "Life and Works of the Seventh Earl of Shaftesbury."

dation of labor are not the only means to bring about a reduction in the expenses of production. Improvements which enable the producer to accomplish a given result, with the expenditure of a smaller amount of labor and capital than was previously required, have been frequent, and these improvements signify social as well as individual gain. Now and again it happens that those who attain a brilliant success in industry, even under the pressure of sharp industrial competition, have treated their industrial subordinates well, and have succeeded because they deserved success, having contributed largely to material progress.

Competition likewise affords a stimulus which human nature needs, because competition rewards men for achievement. Competition keeps us alert and active, because we know that we shall be punished by the loss of our industrial position, whatever that may be, if we let others get ahead of us in the race for the material good things of life. Undoubtedly, this struggle to surpass others is not ethically the highest sort of motive; but every one must personally feel the need of some kind of discipline and control, a spur to the putting forth of his best powers. Competition also may be looked at not merely as an attempt to get ahead of somebody else, but as an endeavor to render the highest social service for the smallest return. This is the best aspect of competition, and it must not be overlooked. A and B both want to sell to C a commodity. If A offers his commodity at a lower price than B is willing to take, he has rendered a greater service to C for a given return.

Competition has been supplanted recently in large portions of the industrial field by combination and partial or complete monopoly; and many of the evils from

which we suffer are not the result of competition, but of the absence of competition. The objections to trusts and private monopolies are based precisely on the fact of the absence of competition, which places the consumer in their power. If we think that one grocer is asking too high a price for flour or potatoes, we have the opportunity to see if we can do better elsewhere; and the efforts of several really competing persons to sell commodities of the same kind to the same person will keep any one from deriving more than a legitimate profit on capital, and a fair remuneration for labor. Moreover, the danger of loss of opportunity to make at least fair profits and fair wages tends to secure polite and attentive treatment. When, however, we do not like the price charged for gas, and believe that it is exorbitant, our only recourse, usually, is to stop the use of it. It is not merely that, but when we have every reason to believe that we are charged with more gas than we actually consume, we must submit to be robbed because the single gas company will otherwise shut off the supply, and any remedy for the sufferer is too difficult to be practically available. And how unceremonious, brusque, and even impudent are often the agents of private monopolies! If competition is brutal, we must remember that its absence is monopoly, and the experience of history pronounces private monopoly odious.

What has socialism to substitute for competition as a force in production? Upon what can it rely to keep in motion the wheels of industry, and to render progress continuous? It would seem, apart from the necessities of life, which ordinary and indifferent service would give, that socialism must rely, on the one hand, on the greater opportunity for usefulness which superiority

would bring with it, and on the other upon honor or social esteem. There can be no doubt that social esteem has been the most powerful motive which has animated the conduct of men in all times. The Greeks, to gain the highest honor in their games, would undergo long and continuous toil, and put forth their best powers, developed to their utmost. Not only did the one who achieved this highest honor receive an immense triumph, but his entire family also shared his glory. Men do not struggle more ardently now for millions of money than the Greeks did for the honors in their games; and, so far as the material content of these honors was concerned, that consisted of a few leaves,—the wreath of wild olive! In every college and university in the land, and indeed in all lands, one may see the force of social esteem, and this social esteem is not won by success in money-making. The atmosphere of universities in this and other lands is a democratic one, and he occupies the first place in the esteem of his fellows who is successful in the pursuit of knowledge. Even in so aristocratic a country as Germany, the careful observer says of the students in the university, "They meet upon terms of fraternal equality. A common devotion to knowledge, without destroying the distinctions of birth and fortune, yet creates above them a higher university, where the most intelligent and laborious take the first place."<sup>1</sup>

Our industrial life, even at the present day, affords no exception to the rule that men are animated by the desire for social esteem. They toil for money because they believe that money brings social esteem with it, and in so far as money ceases to bring social esteem they cease to toil for it. When they have acquired it they part

<sup>1</sup> See Sidney Whitman's "Imperial Germany."

with it to acquire social esteem. We may see a man toiling and moiling for money, sacrificing his own higher faculties, oppressing his employees, and defrauding the public. We say of such a man that he loves money above everything else. But let us watch his career a little longer. He has acquired millions, and has led a mean, contemptible, and even miserly life; but suddenly he purchases a fine mansion and spends a hundred thousand dollars for a grand entertainment. Money flows like water, and it seems, perhaps, that this millionaire is now governed by other motives. Not at all; he sought money because he supposed that with it he could purchase social esteem. Either he had these personal expenditures in view from the start, or he finds that something more than mere possessions is necessary to give him the esteem which he desires. An English manufacturer acquires a great fortune, and then retires from the business which brought him his wealth to live upon a country estate. He voluntarily abandons the opportunity to gain great additional wealth, because he hopes that he will enjoy a higher social position as the owner of large landed estates. The German manufacturer who has, through long self-denial, won a million, parts with a considerable portion of his fortune to marry his daughter to a lieutenant with sixpence a day, because this lieutenant can give his daughter a higher social position, and he may bask in the reflected sunshine of her glory. A familiar illustration is afforded by the servant-girl problem in the United States. American girls prefer other occupations than domestic service, although they yield smaller pecuniary returns, because, rightly or wrongly, they suppose that these other occupations carry with them a higher degree of

social esteem; and this supposition is so generally entertained that it produces a marked impression upon the labor market.

Social esteem, then, is an abundantly sufficient motive. We must concede that frankly to the socialists. But we have to ask the question, whether that conduct which is socially beneficial would as a rule meet with social approbation? Those who move among the educated and cultured will be readily inclined, perhaps, to give an affirmative answer. One acquainted only with university life at its best, and judging the whole world by its standards, would not be inclined to entertain serious doubts in regard to the line of conduct which would meet with general social approbation. We must remember, however, that there are many different classes in society, and that each class has its own standards.

The number of men who act in a manner which is disadvantageous to society, is extremely large; and perhaps one can scarcely be deemed guilty of pessimism, if one expresses the opinion that only a minority of men evince any genuine solicitude for the general welfare. Yet each one is animated by the desire for social esteem; but it is the esteem of those about him, the esteem of his own class which governs his conduct. The thief belongs to a class that honors the successful thief; and the daring and successful bank robber, who daily hazards his own life and freely takes the lives of others, is a hero of no small proportions to a very large class. A recent robber, who was shot while carrying out a daring plan of robbery, boasted that he did not want to be outdone by those notorious Missouri robbers, the James brothers. Men of this sort are so honored that accounts of their lives are written, and may be purchased at the book-

stalls of many a railway station. The prize-fighter is animated by a desire for social esteem, and his conduct is that which meets with the approbation of a considerable proportion of the entire American community. The most prominent newspapers in the country publish, not columns, but pages, describing the preparations for a prize-fight, and the fight itself, following it with minute account of the subsequent movements of the principal actors in the contest. The achievements of scholars and statesmen, so far as the press of the day is concerned, fade into insignificance when brought into contrast with the encounters of a champion pugilist.

Tax-dodging and many other practices, which are directly anti-social in character, are indulged in freely by those who stand high in the community, and who are not ashamed of their conduct in this respect. They do not, on account of their anti-social practices, lose the esteem of their fellows.

When we call to mind all these facts, and many others which a little reflection will suggest to the reader, can we declare that under socialism we have reason to anticipate that regularly that line of conduct which is socially beneficial would meet with social approbation? If we are obliged to answer the question in the negative, the cause of socialism is at least greatly weakened.

We must examine this question of the motives which impel men to action from the psychological standpoint. We are not merely concerned with what would be in the true interests of men, but with their capacity to appreciate their social interests. We have learned during generations to look at economic questions from the individual standpoint. Will it be easy for us to look at questions concerning our material interests from the social stand-

point? We do not now generally appreciate sufficiently the extent to which our material welfare depends upon society. Should we under socialism, when so much more depended upon society, appreciate sufficiently the importance of right social conduct? It is on the social side of man's nature that his development is slowest, and socialism implies a high development of man—and a very high development of man—precisely on this side. A socialist writer himself has spoken of "the individualist blacks of Africa," by which he virtually admits that socialism is inconceivable among a people occupying so low a stage of civilization. But we have thousands and millions of people in the more civilized countries occupying in social development a position not much higher. Most instructive are the lessons which Christianity teaches us. Christianity is a social religion, if it is anything. Its founder, a Jew, called himself not a son of Israel, but the Son of man, to identify himself with humanity. He opposed the religious opinions and religious practices of his day, on the ground that they placed some things above the duty which man owes to his fellows. Many a child thought, and still thinks, that it is more important to give to the church than to care for an aged father and mother. Christ told those who thought that a gift to the church could justify one in neglecting to provide for father and mother, that they made the word of God of no effect. When men came to John the Baptist, Christ's predecessor, inquiring the way of life, he enjoined upon them the observance of social duties; and when men asked Christ what they should do to be saved, he likewise bade them to care for their fellows, telling one inquirer to sell all that he had and give to the poor, and telling another to follow the example of the good Samaritan. The

crowning act in Christ's mission manifested the social side of Christianity,— he died for others. Yet while all this is true, it has taken the Christian Church centuries even to approximate the position of Christ with respect to the social nature of religion. Religion has been treated, and is still treated, as an individual question. Individual salvation has been a common and powerful phrase, and it has not been accompanied by its complement, social salvation. We may still go into many a prayer-meeting, and listen to prayer after prayer and address after address, and hear not one word which would indicate that the speaker recognized the existence of any one else in all the universe outside himself and Almighty God. When at last the change begins, people commence to write books entitled "Social Christianity," and "The Philanthropy of God;" but the titles themselves have to many a strange and startling sound.

Many other illustrations of the slow development of man on the social side might be instanced. One is afforded by ethics, which a great writer has declared to be the queen of the social sciences. Ethics has, however, been pursued chiefly as an individual science, and men are only beginning to understand that it is a social science. Must we not, in view of all these facts, reach the conclusion that there are limitations upon social action found in the backward state of development of man's social nature, and that men are still too individualistic in their nature to permit us to hope that for a long time to come they will be able to conform to the requirements of a socialistic state?

## CHAPTER VII.

### **OBJECTIONS TO SOCIALISM AS A SCHEME OF DISTRIBUTION AND OF CONSUMPTION.**

WE have already learned that socialists wish to secure justice in distribution, but that they have not been able to agree upon a standard of distributive justice, although they now generally seem disposed to regard equality in distribution as desirable.

Equality is unquestionably the simplest and easiest solution of the problem of distribution under socialism; and it is frequently argued that it meets all the requirements of distributive justice, because it is held that, essentially, one man has rights equal to those which any other enjoys.

Socialism compels us to agree upon a standard of distributive justice which would be generally acceptable, and which would enlist the services of the most gifted and talented members of the community. If we depart from the principle of equality, it is difficult in the extreme to establish any standard in accordance with fixed principles, calculated to settle controversy. Let us suppose we decide to distribute material goods in accordance with merit or service rendered. How shall we decide upon the value of different services when compared with one another? That distribution which may be called ideal is one that leads to the maximum satisfaction of wants,—that is, distribution in accordance with needs. This means equal distribution among equals, but unequal

distribution among those who are unequal; and, as a matter of fact, inequalities among men, in capacity and requirements, are immense.

It is desirable to satisfy the most intense wants first, and then those less intense, and so on down the scale. If incomes were distributed equally, there are men whose wants are so limited that they would have more than enough for the satisfaction of every need, while others would be deprived of the means for the satisfaction of genuine and pressing wants. One person has no special intellectual gifts, and can soon acquire all the education which will be beneficial to him, so far, at any rate, as education given in schools is concerned. Another has great gifts which fit him to become a painter, a musician, or an original scholar. It is in the interest of society that the faculties of such a one should be fully developed, and that for their development, the tools, implements, and opportunities, for the exercise of the talent, should be afforded. Yet the education which is required under such circumstances is often expensive, including foreign travel and study, after the school education at home is completed. Such a person can use advantageously a far larger income than the average mechanic or artisan.

But how can we approximate this distribution under socialism? How can we reach agreement in regard to needs? Each one may appreciate his own needs sufficiently, but will he appreciate the needs of others, especially of those who are his natural superiors, and who require ten times as much as he does? Will the ordinary farmer or industrial toiler cheerfully agree to the proposition that some one else needs ten times as much as he does, in order to give equal satisfaction of wants? Unless such is the case, we shall have dissatisfaction and discontent, likely to impair the usefulness of socialism.

And this is not all. While it may be difficult for us to come to an agreement in regard to the differences in the value of services rendered by various members of the community, a little careful observation shows us that the difference, after all, is vast. In many a town, we can find a single individual upon whom the prosperity of the town seems largely to depend. While he lives, the chief enterprises of the place in which he is the leader thrive; but upon his death, mistake after mistake is made in management, and prosperity deserts the town. Everything else remains the same as before, but leadership is absent, and that makes the difference between prosperity and failure. We may take a single industrial establishment and we shall find that, while under one man it thrives, under another it languishes. The question of success is dependent, above everything else, upon right leadership. Now, those who have superior gifts and capacities are generally well aware of their superiority. They know that they render more valuable services than others; and if we take men as they are now, or as they are likely to be for a long time, we have every reason to believe that an assignment of merely equal income would not enlist in socialistic production the most capable members of the community, in such a manner that they would give their best energies to the socialistic state; but unless we could secure from the most talented members of the community willing service, socialism would inevitably prove a serious failure. The poor organization and management of the productive forces of society would lead to far greater waste than that which we experience at the present time. It is much to be feared that men cannot be socialized to that extent that they will generally accept the principle of equal reward for their services,

even could it be shown that it were desirable. And it is impossible to show this, for quite the contrary is true.

It is urged that in the family we see what ethical requirements are, and we should blame a father who, at his table, gave the best food to the strong, and inferior food to the feeble, clothed the most capable children in fine clothing, and allowed those who were so unfortunate as to be cripples to go in rags. Such discrimination would shock our consciences. The children of the family may render unequally valuable services, but that cannot justify the inequality in reward; yet this is only a part of the problem of the distribution of income. When it comes to the question of the use of material resources for the development of faculties, we feel that the father is justified in spending far more on the son who has the larger faculties to be developed. If his means are limited, he may keep the feebler son at home, and send the other son away to an academy, college, and university, and finally to travel in foreign lands, spending ten times as much upon him as the other. This is ethically justifiable; but on the other hand, we admit that the son who receives this far larger share of the family income must see to it that he uses these developed faculties for the interest of the weaker brother as well as his own. Otherwise he fails in meeting the requirements of ethics.

Similarly, it is quite proper that various members of society should consume large quantities of economic goods, even when others lack some of the necessities of life, because it is demanded for the sake of the higher interests of society. But those who have been favored must remember that they have been favored, and use all their faculties and resources for the good of society as a whole. Here we draw a line between that consumption

of goods which ministers to development in any form, and that consumption which serves simply to gratify vanity, or which merely promotes sensual enjoyment. Luxury stands condemned.

All this brings us to the observation that there is great danger that, under socialism, the true requirements of those engaged in the higher pursuits would be underestimated, and that the importance of those occupations which contribute most to the advancement of civilization would fail to secure adequate appreciation. The extent of natural inequalities, and the differences in the requirements of men, are not understood by the masses of mankind; and it is extremely difficult, if not impossible, to make them understand these inequalities and differences. This being the case, we have every reason to apprehend that, under socialism, there would be inadequate provision by the masses for those who carry forward the most important work; that is to say, those whose products are immaterial, ministering to the higher parts of our nature. If this is so, the result of socialism would be a non-progressive society, and in consequence all would finally suffer, because, under a satisfactory social organization, every class will sooner or later share, to a certain extent, in the advantages resulting from progress in science, art, letters, religion.

Abundant illustrations of this danger are afforded by existing society. It is generally proposed, in fact almost universally proposed, that socialism should be organized as democracy; but it has been the precise weakness of democracy, that it has failed to appreciate the best things, and has been unwilling to grant public money to promote undertakings which do not imply material gain. Democracy has been inclined to raise wages, and

for this we must praise it; but it has also been inclined to give low salaries, and for this we must condemn it; because salaries, as distinguished from wages, represent the remuneration for talent and special qualifications. Those who receive the salaries are engaged in occupations which cannot be neglected, if civilization is to continue its progress. We have already cited the course of the London County Council as an illustration of the strength of socialism, but it illustrates also its weakness. Mr. Frederic Harrison, who has praised this council highly, is also obliged to say, "Unfortunately, the zeal of the majority to raise the wages of the laborer has been too often accompanied by an equal zeal to reduce the salaries of the higher professional skill. . . . But it marks the economic zeal of a new public-spirited body, that it listens to John Burns telling it, 'that the man does not live who is worth a salary of five hundred pounds a year.'"<sup>1</sup>

Elsewhere we are told that there are not a score of men in the service of the English municipalities who receive salaries of a thousand pounds a year; and that those representing the new democracy in England are insisting that two hundred and fifty pounds a year shall be the maximum salary for municipal officials, regardless of their qualifications or responsibilities.<sup>2</sup> The United

<sup>1</sup> A prominent member of the Fabian Society sends the author the following comment upon the above passage: "May I say that your reference to the London County Council salaries is misleading. It is true that Burns did let slip in the heat of debate the unhappy phrase you quote. But his *action* has been much more sensible. And no one would gather from your statement that the London County Council pays no fewer than forty-seven of its officials over £500 a year, twenty of them getting £1,000 or over—no bad sums according to the English scale."

<sup>2</sup> "Labor Politics in a New Place," by Edward Porritt in the *North American Review*, March, 1894.

States is also, in its entire history, proof and illustration of this tendency in democracy. Our various American governments have always paid wages which have given an upward tendency to the labor market,—wages, in fact, above rather than below those paid by private employers under similar circumstances; but our governments, national, State, and municipal, as a rule, pursue a mean and socially unfortunate policy with respect to salaries; so that a man with high qualifications rarely has an opportunity to serve his country in public office, whether elective or appointive, without making a sacrifice so great that many, who would otherwise confer benefit upon the community in public office, refuse to bear the burden.

At the present time we are not dependent exclusively upon what the democracy will do for us. After we have secured from government all that we can to promote art and letters, and the higher interests of society generally, we can appeal to those who in private industry have won large resources to supply the deficiencies in the public service. Private individuals are also able to take the initiative, by their contributions, to educate the public up to a point where they will do more than they are now doing, to promote the best interests of society. A concrete instance will best illustrate the point. A wealthy woman in Boston, feeling the importance of sewing, cooking, and other industrial features in the public school system, which the educational authorities were unwilling to support, defrayed the expenses out of her own pocket, until the public became educated up to an appreciation of the new features in the public schools, and became willing to support them by taxation.

Similarly, a State university is not now dependent exclusively upon what a legislature will see fit to appropriate

for it; but it can appeal to private individuals to supplement public appropriations, to raise salaries if they are inadequate for the best work on the part of the professors, to provide more abundantly books and apparatus, and especially to endow those departments the importance of which is not generally sufficiently appreciated.

Classical philology might be cited as an instance. An American legislature rarely appreciates the importance of classical studies; but a right-minded man of wealth, knowing their value, might give them a firm foundation in a State university by adequate endowment. It would seem, then, that we shall achieve better results if we have the possibility of a co-operation of individual effort with the public effort, than if we rely exclusively upon what the public, as such, is willing to do; for it must be borne in mind that socialism, even if moderate and conservative, would ultimately reduce incomes to such an extent that no one person could do very much out of his own resources to carry forward the work of society.

What we need everywhere in modern society, and especially in the United States, is a natural aristocracy, by which we mean an aristocracy of merit. Provision may conceivably be made for a true aristocracy in the structure of government itself. Such is to some extent the case in countries like England and Germany, although in both countries the so-called aristocracy is largely based upon artificial distinctions, and has no real foundations in superiority of talent or services. Nevertheless, we do find that, on the whole, in these countries, and especially in Germany, those who have control of government show considerable appreciation of the higher goods of life. They know the value of art, of letters, of

the highest education, and are well aware of the fact that public expenditure for the encouragement of the higher fruits of civilization yields large return to the tax-payer. The public authorities of Germany know the importance, for example, of investigation in universities, and understand that quality in work means more than quantity. They know also how essential it is to work of the best sort, that professors should enjoy freedom in instruction and research, and also permanent positions with assured income.

This merely offers one illustration of many which might be adduced. Now, the point which we must bear in mind is this: If the structure of government itself does not furnish scope for a true aristocracy, then a place outside the government must be found to give to true aristocracy opportunity to exercise the beneficent influence which belongs to it. And we must not by any means underrate that cultivation of the finer forms and graces of life which is one part of the functions of a true aristocracy. We must only insist that those who have great social opportunities should not use them selfishly, but generously for the public weal.

A wise truth for the guidance of society was offered by Christ in these words, "For unto whomsoever much is given, of him much will be required: and to whom men have committed much, of him they will ask the more."<sup>1</sup>

All this is naturally opposed to a false and most pernicious doctrine of equality. A full recognition of the actual and, indeed, marvellous inequalities among men, in their natural capacities as well as requirements, must tend to mitigate the hardships and injustice which are

<sup>1</sup> St. Luke xii. 48.

apt to accompany actual inequalities. If all men claim that they are naturally equal, then the logical conclusion is that they should be all treated equally. But as a well-known jurist has said: "Nothing can be more unequal than the equal treatment of unequal."<sup>1</sup> The result of a failure to recognize natural inequalities is seen in those judicial decisions which break down beneficent labor legislation on the ground that it interferes with free contract. It is assumed that the feeble, and perhaps half starved, working girl, occupies a position of substantial equality with her powerful millionaire employer, and that she is able to guard her own interests in labor contracts.

The law of population is regarded by many as a fatal objection to socialism. It is generally held that guaranteed incomes, and assured support for one's family as well as one's self, would lead to an excessive growth of population from which all would suffer. At the present time, the very conditions of life impose restrictions upon the growth of population. What, under socialism, would take the place of these conditions, which are often very hard? Experience shows that under favorable circumstances population is capable of doubling itself at least once in twenty-five years; and this would lead to an over-population of the world in a very short time, and in a few centuries would fill the world with so many people that there would not be standing-room for any more.

It is easy to say that the increase of population brings new hands and consequently additional productive power,

<sup>1</sup> "Man weiss eben heute, dass es keine grössere Ungleichheit gibt, als das Ungleiche gleich zu behandeln." Prof. Anton Menger in "Das bürgerliche Recht und die besitzlosen Volksklassen," Archiv für soziale Gesetzgebung und Statistik, Bd. II. § 20.

but it is only up to a certain point that additional labor power increases production proportionately.

Much may be said about this principle of population, and certain contrary tendencies, which, it is alleged, make the fear of over-population groundless. Certain authors assert that, as men develop intellectually, the rate of population tends to decrease. Others claim that it is the wretched and miserable who add most recklessly to the present population, and that material prosperity, in itself, checks the growth of population. Still others suggest artificial remedies. It is also urged that public opinion would be an adequate restraining force. It must be said that the principle of population has not yet been sufficiently discussed, and that we are still much in the dark in regard to the possibilities which it carries with it, under this or that social system.

Certainly there is more than room on the earth for all who now live upon it; and were society well organized, the population might increase rapidly for some time without disaster. On the other hand, we cannot, in our plans of social reconstruction, safely neglect the dangers and disadvantages of an excessively large population.<sup>1</sup>

<sup>1</sup> Cf. "Die Stellung der Sozialisten zur Malthus'schen Bevölkerungslehre," by Heinrich Soetbeer, and "The Evolution of Sex," by Patrick Geddes and J. Arthur Thomson, chap. xx.

## CHAPTER VIII.

## OTHER OBJECTIONS TO SOCIALISM

WE have now considered the most serious objections to socialism; and chief among these are the tendencies to revolutionary dissatisfaction which it would be likely to carry with it; the difficulties in the way of the organization of several important factors of production under socialism, notably agriculture; difficulties in the way of determining any standard of distributive justice that would be generally acceptable, and at the same time would enlist the whole-hearted services of the most gifted and talented members of the community; and finally, the danger that the requirements of those persons engaged in higher pursuits would be under-estimated, and the importance of those occupations which contribute most to the advancement of civilization should fail to secure adequate appreciation. These we should call the four main weaknesses of socialism. If socialism could overcome the difficulties which have already been mentioned, perhaps a multitude of others could also be satisfactorily surmounted. Socialists are not, we must confess, altogether wrong in their position that they cannot be expected to solve in advance all the difficult problems of a new society, and that it will be time to meet difficulties when they arise. It is true that if we are persuaded in regard to the main features of socialism, we can make the claim that we can only be required to meet the problems which immediately present them.

selves, and can adopt as a watchword, "The next thing!" We cannot, however, call ourselves socialists, and take measures to bring about socialism, unless we have reached conviction in regard to the desirability of socialism in its essential features and the possibility of overcoming the chief and fundamental difficulties which stand in the way of this new contemplated social order.

Attention, however, will be briefly called to a few other difficulties and objections of importance. One is the maintenance of an equilibrium between supply and demand. Quite generally socialists have held to the doctrine that value depends upon labor, and is measured by what is called "socially necessary labor-time." This means that the value of an article depends upon the time which it requires the average workman, using modern machinery and industrial methods, to produce it. What is the value of a yard of woollen cloth? We ascertain the number of yards, which, say, ten thousand men can produce, working with due diligence, and using the best appliances and methods. If we divide this number of yards by ten thousand, we shall find the share of the product which must be credited to each man. The value of these yards will be "one day"; for that is the socially necessary time required for their production. This does not hold as a law of value at the present time, for it fails to take account of monopolistic elements found everywhere in production; and it could not hold under socialism, for it would not maintain an equilibrium between supply and demand. The reasons why such a law of value would not be practicable under socialism, any more than at present, are numerous, and only one or two can be mentioned. The articles for consumption find their value in desire, and, we may say, to

speak more accurately, unsatisfied desire.<sup>1</sup> We desire the satisfaction of some want as yet unsatisfied, and the intensity of the desire determines what we will give for the article which is able to satisfy the want. Now, the strength of the desire cannot be entirely dependent upon socially necessary labor-time. We may take two kinds of wine: both have required the same quantity of labor for their production; but one has grown on a rare and unusual site, and the other one on a good average piece of land for the production of wine grapes. The bottle of the one has a value, we will say, of five dollars, and the other of one dollar. These differences in value cannot be explained by private property in land, but are due to the natural limitation of land of the best kind for the production of wine. Should socialists in the socialistic state fix the same price upon one which they did upon the other, the supply of the first kind would be immediately exhausted by a general scramble for it, while the second kind would be neglected until the first had been exhausted. Probably many of those receiving the better kind would offer it for sale at a higher valuation, and thus receive that unearned increment which now goes to the land-owner. On account of varieties in soil, other agricultural products serve equally as illustration. The same would hold true with mineral products. Other reasons why a stable equilibrium between demand and supply could not be secured under the operation of the law of value, determined by a socially necessary labor-time, is the capricious and uncertain nature of human wants. It can never be possible to anticipate these with perfect accuracy. If values depended simply upon labor-time, we should have frequently redundant

<sup>1</sup> Cf. Ely's "Outlines of Economics," Part II., chap. i.

supplies of articles of some kinds, of which it would perhaps be impossible ever to dispose, and frequent deficiencies of other kinds. It would be necessary for socialists to regulate value more in accordance with the laws which actually obtain in society, raising and lowering price in such manner as to keep an equilibrium between supply and demand. This would be likely to result in a surplus above costs of production, corresponding in some degree to present unearned income. This does not suggest an insuperable obstacle if socialism is otherwise practicable, because this surplus could be used for public purposes. It does, however, overthrow a great deal of current socialism, even if it does not attack the essence of socialism.

Ordinarily, there goes with the doctrine of value just described, the proposal to abolish money and substitute therefor labor checks, certifying the amount of labor time. What has been said seems to show that this substitute for money would scarcely be practicable, and it raises the question what could take the place of money ? The most natural and easiest method would, perhaps, be to continue our present monetary system, and simply attempt to improve it. The abolition of money is no necessary part of a conservative socialism, and the demand for this abolition may have arisen from a fanatical desire for equality. Of course money would make possible certain inequalities in wealth ; but with the great instruments of production socially owned and operated, these would be sufficiently limited to satisfy conservatively inclined socialists

Another difficulty under socialism would be the distribution of labor forces in such manner that production might be developed in harmonious proportions. How shall the men and women of society be allotted to

their several spheres? The difficulty is immense. Mr. Bellamy has proposed to equalize various occupations in attractiveness, hoping, thereby, that naturally and spontaneously each one would find his proper place in industrial society. If a certain pursuit is especially disagreeable, and the number offering themselves for the pursuit is insufficient, he holds that the length of the labor day should be shortened, and thus the pursuit be rendered more attractive. Should, however, the number offering themselves for any one occupation be larger than required to satisfy the demand for the services or commodities produced by those engaged in that occupation, he holds that the working day should be lengthened, and thus the occupation rendered less attractive. When we contemplate the various occupations which are necessary, it would hardly seem that equality could in this manner be secured. Could we thus equalize the supply with demand in the learned professions? What extension of the work of university professors would bring down the supply to such an extent that it would equalize the demand for professorships? How could the supply of the highest positions in the socialistic state be equalized with demand, by changing the length of the working day? To ask the question is to answer it. Many occupations now require, and should under any system require, if they are to be carried on satisfactorily, the full strength and time of those who are engaged in them. Moreover, the interests of society demand that there should not be a free selection of occupations, so far as the most influential and desirable positions are concerned, but those should have these positions who are best fitted to fill them. It would seem that it would be necessary to proceed more in accordance with the prin-

ciples which now govern selection of public servants, where the civil service has attained a condition of excellence; and this means inequalities in reward and selection of men, on the basis of natural talents and acquisitions. It would require a certain amount of compulsion of an economic nature, but very likely a less degree than that which exists in the economic world at present. Look at it as we will, we encounter difficulties.

Finally, we may call attention to certain objections which do not apply to socialism in itself, but which do apply to the ordinary socialistic mode of agitation. While socialistic agitation has had a beneficent influence in drawing the wage-earning classes together, and creating among them a feeling of fraternal solidarity, it has, on the other hand, tended to separate them from other classes in society, depriving them of the help which they could derive from these other classes, and giving them an unwarranted confidence in their capacity for political and industrial leadership. This has been the inevitable outcome of the Marxist socialism, which treats socialism as a class problem, telling the workers that their emancipation must come entirely from their own efforts, and employing the war-cry, "Workmen of all countries, unite!" Socialism will become stronger when it loses its class character and looks for leadership to men of superior intelligence and wide experience.



## A P P E N D I X.



## APPENDIX.

### SUGGESTIONS FOR SOCIAL REFORM.

WE have now examined briefly the nature of socialism and have discussed its strong features as well as its weaknesses. It remains to answer the question, What suggestions for social reform may we gather from our investigation of the claims of socialism? It would be strange indeed if a social system which has so large and enthusiastic a body of believers, many of them men of character and capacity, did not have in it important elements of truth. The men who have given their adhesion to socialism cannot be altogether mistaken; for we must bear in mind that socialism is no temporary delusion which has carried even wise men off their feet for a moment, but that it is a system of social thought which has increased in strength during the past generation, and that continued criticisms of the keenest minds have not been able to prevent it from gaining increasing hold upon the masses. We have observed, however, that socialism has been relatively weak where its claims have been examined calmly and impartially, and especially where a readiness has been manifested to receive all the elements of truth which it contains.

Socialism, it is now generally admitted by impartial students, has shown the existence of serious evils. Recently, indeed, we have been told by Professor Small, of the University of Chicago, that socialism is substantially correct in its critique. Even if we do not go so far as

this, we must in our efforts for social reform take into account the criticisms of present industrial society which socialism has presented so forcibly. But there is one important thought which occurs in this connection. Socialism as presented by Marx and Engels gives us an evolutionary theory of society which shows us the growth of evils which it is claimed will at last become intolerable and will lead to the destruction of our present industrial order. This evolutionary theory of society, however, assumes a relatively passive attitude of men in the face of industrial evils. Marx and Engels showed fifty years ago what would be the outcome of social evolution in England, provided men followed a passive policy, letting things take their own course. Engels in particular predicted a development of industrial society in England, things going from bad to worse, which has not been substantiated by subsequent experience. The reason was that the best minds and hearts of England were not content to let things take their own course. On the contrary, they set about to effect an improvement of industrial and social conditions, and the result has been wonderful progress along every line. Crime has diminished, pauperism has decreased, the housing of the poorer classes has been improved, educational opportunities have had an astounding growth and have been brought within reach of the entire English population, laws have been passed affording protection to labor against many abuses, the laws repressing and restraining combinations of working men have been almost altogether removed, increased wages have afforded greater comforts to the masses, and some little progress at least has been made in the solution of the monopoly problem, while taxation has been marvellously changed and that in the direction

of equality and justice. Much remains to be accomplished, and when we think of what remains we may feel that only a beginning has been made; but this beginning, certainly a large beginning, affords valuable suggestions for social reform. The conclusion, from the experience not only of England, but other countries also, seems to be this: If we allow things to take their own course, if we remain passive in the presence of the evils which socialism has so amply demonstrated and vividly depicted, the result may well be that outcome which the evolutionary socialism of Marx has pointed out. But there is no reason why we should remain passive in the presence of evils. On the contrary, there is every reason why we should vigorously attack existing evils, and do so with the hope that they can be abated and improvements in social conditions can be effected.

It is not alone with respect to its criticism of our present industrial order that we must take socialism as a starting point in our constructive efforts for social amelioration. High ideals for the masses have been established by socialism, and that once for all. We must endeavor, if our efforts are to be permanently successful, to realize high ideals for our social order, and accept no limits to improvement except those imposed by the conditions of our social coexistence.

Another valuable suggestion offered by socialism is the superiority of prevention to cure. An older ideal is brought before us by the benevolent man in novels written fifty years ago. Eugène Sue's "Mysteries of Paris" affords an illustration. The hero relieves distress which falls under his observation, and while the book is full of generous sentiment, no higher ideal seems to be clearly presented by it than that of abounding charity. Social-

ism has made it quite plain that the great problem is to prevent distress, and the experience of the past fifty years has shown that while we can never reach our ideal in this direction we can make large and continuous progress. It is doubtless as a result in part of socialistic criticism that we are less inclined than formerly to boast of large sums given in alms, or of the provision made for the relief of distress. We are now more inclined to inquire whether or not this need for alms and asylums could not have been in large measure obviated. We admit that it is all very well to furnish wooden limbs to those who have lost their arms and legs in the railway service, but we think it is far better to enforce upon railways those well-known measures which will prevent accidents to railway employees.

If space permitted it would be desirable to take up the suggestions for social reform which we may derive from socialism, and apply these suggestions separately to production, to distribution, and to consumption. As it is, however, we can throw out only a thought concerning each one of these departments of our economic life.

As far as production is concerned we may say that socialism suggests that the wastes of the competitive order may be greatly diminished; also that the productive resources of society may be more largely utilized than at present.

Perhaps the most all-embracing ideal of socialism, as far as distribution of wealth is concerned, is expressed in the formula of Louis Blanc: "From each one according to his faculties; to each one according to his needs."<sup>1</sup> It has never been shown how this ideal could be fully realized, and it seems that under socialism it would be

<sup>1</sup> Cf. Ely's "French and German Socialism," pages 121-122.

especially difficult to realize it. We have pointed out difficulties along this line in our examination of the weaknesses of socialism. We may, however, keep it before us even while we adhere to our present social order, and we may seek to press forward continuously in the direction of this ideal. When we say this we are giving voice to no Utopian aspirations, but are simply describing the general trend of many movements now actually in progress. What else than this do the educational movements of our day signify? When we consider all these multiplied educational facilities for the development of body, mind, and spirit, do we not find that they are operating to put each one in that place in society in which he may serve society in accordance with his capacities? Far enough away are we from fully reaching this ideal; but if we take the view that all progress must be a gradual growth, we may feel encouraged to press forward along the best existing lines. And when we take into account what public libraries, public galleries and museums, public places for recreation are doing, we must acknowledge that some things are furnished to us in accordance with our needs. When to all these considerations we add the influence of the tendencies revealed by taxation, especially of bequests and inheritances, we shall acknowledge that along other lines we are making progress in the direction of equality of opportunities; and equality of opportunities in turn operates to assign to members of the community work according to their capacities, and to grant them a reward in accordance with their needs.

The monopoly problem has to be considered in this connection as well as in connection with the problem of production. As far as private monopoly exists it stands

in the way of our ideal, and as far as we make progress in the solution of the monopoly problem we are approaching our ideal.

Socialism also has suggestions with respect to consumption. We can take the best that socialism has to offer and endeavor to incorporate that into the present social order. The ideal of consumption is simplicity and private frugality, consumption which ministers to the higher rather than the lower needs, generous expenditure for those things which we enjoy in common, and for dignity and beauty in public life. The magnificent Congressional Library building in Washington, which belongs to the entire nation, is an illustration of wise consumption.

Socialism is essentially a theory of monopoly, and it is especially fruitful in suggestions for those undertakings which are monopolies. In fact, we may say that in the main socialism is sound for monopolistic undertakings. The suggestion, then, which socialism offers as far as monopoly is concerned is to examine the field of monopoly and to separate it out from the field of competitive industries. The best tendencies of thought at the present day seem to favor the view that there is a field of industry in which competition is ruled out and in which attempts to introduce competition work only disaster, whereas there is a field in which the competitive order produces the best results. It must not be understood that the socialistic method, or perhaps rather the method which socialism suggests with respect to the management of monopolies, will prove to be free from evils and difficulties. It is simply stated that the difficulties will be less under collective ownership and management than under private ownership and management.

Private ownership and management are appropriate for the competitive field, but evils will still remain after we have done our best to reduce them to the lowest terms. The claim is that the difficulties and evils of private industry in the competitive sphere will be far less than would be the evils attendant upon collective ownership and management of industry in this sphere.

What, then, is the field of monopoly, and what is the field of private industry? The author presents here-with a new classification of monopoly which will prove suggestive in this connection, although it is necessary to refer the reader to other works for a fuller discussion of his views on this subject, inasmuch as it is quite impossible, in the page or two at his disposal, to offer proofs of the position assumed in the discussion of monopoly.<sup>1</sup>

Monopolies are :

- A. Social (or Artificial).
- B. Natural.

The Social Monopolies may be subdivided thus :

I. General Welfare Monopolies :

- 1. Patents.
- 2. Copyrights.
- 3. Public Consumption Monopolies.
- 4. Trade-marks.
- 5. Fiscal Monopolies.

<sup>1</sup> A further discussion will be found in Ely's "Outlines of Economics" (College edition); in "Socialism and Social Reform," identical with the present work, except that this part on "Social Reform" is there further elaborated; and in the author's articles in the magazine "Progress" of Chicago, November and December, 1898.

## II. Special Privilege Monopolies:

1. Government (or Public) Favoritism.
2. Private Favoritism.

Natural Monopolies are:

1. Those arising from limited supply of raw material.
2. Those arising from properties inherent in the business.

Patents and copyrights are temporarily monopolies conferred upon private individuals as a reward for services, and it is held that in these cases the advantages outweigh the disadvantages. All that is desired, as far as they are concerned, is to develop the laws regulating these monopolies in such a way as to protect adequately both private and public rights. Public consumption monopolies refer to such monopolies as the monopoly in alcoholic liquors established in Switzerland and the monopoly in the retail trade in intoxicating beverages established in South Carolina. These are, as their term implies, designed to promote wholesale consumption or to limit deleterious consumption. Trade-marks are of minor significance. Fiscal monopolies are public monopolies established in the interest of the treasury. The governmental monopoly of the tobacco business in France affords an illustration. It is simply one method of raising public revenue, and need not detain us. The special privilege monopolies are abuses. If at any time a monopoly is established through governmental policy, for example, by a bad sort of protective tariff, the remedy suggests itself. Private favoritism is a more prolific cause of monopoly at the present time. Monopolies founded upon and developed by special railway rates or

special favors of any sort from railways afford an illustration.

The natural monopolies are those with which we are especially concerned at the present time, and here the general rule is public ownership and management. We have reference to railways, telegraphs and telephones, and municipal monopolies such as street cars, water-works, and lighting works.

The governmental unit appropriate for ownership and management must vary in accordance with the nature of the monopoly. In the case of railways it would naturally be the nation; in the case of lighting works the city. In the case of some enterprises the appropriate unit for operation and management is the commonwealth standing between the nation and the city.

It must be distinctly understood that the present chapter simply gives a sketch in rough outlines, and that all the qualifications which suggest themselves and which would be necessary to fill in the sketch have to be omitted on account of lack of space. When this is well understood it is believed that there need be no opportunity for serious misapprehension. With this understanding, certain advantages anticipated from the socialization of monopoly will be mentioned.

It is anticipated that the socialization of monopoly would avoid the most serious wastes which at the present time are found in our industrial order; that it would lead to better utilization of productive forces, and many irregularities in our economic life could thereby be avoided; that a better distribution of wealth would naturally result therefrom, and that monopolies due to the favoritism of gigantic private undertakings could be obviated. It is held, furthermore, that all naturally pri-

vate businesses could be better developed under social control of monopolistic forces. In this way it is maintained that the class of farmers, upon which our social order so largely rests, could be benefited. The interests of freedom, it is maintained, would be promoted by socialization of monopoly, inasmuch as the most serious menace to freedom at the present time comes from private monopoly which invades even our churches and institutions of learning. Furthermore, it is claimed that socialization of monopoly would tend to purification of politics, inasmuch as political corruption is so largely traceable in one way and another to private monopoly.

We have left as appropriate fields for private business, agriculture, manufacture, and commerce. Here the problem is to raise the level upon which these businesses are and may be conducted. The level of a private business is raised when injurious practices are prohibited for all alike engaged in it. As long as one manufacturer employs child labor others may feel obliged to do so to hold their own in competition. If all alike are forbidden to employ child labor they may compete as heretofore. This general principle applies to all the laws for the protection of the wage-earning community, especially children, young persons, and women. It is in this spirit that such evils as the sweat-shop should be attacked. Here again we are giving voice to no Utopian aspirations, but are simply indicating the lines of most hopeful movements both in our own and in other countries.

To inaugurate and carry out social and economic reform various political reforms have been proposed. Of these the most promising are proportional representation and the initiative and referendum, together with that improvement in administrative methods suggested by civil

service reform.<sup>1</sup> Each one of these reforms has its appropriate sphere, and each one has its able advocates.

The contrast between the program of social reform given in the present work and that offered by the advocates of panaceas is most marked. The reformer, who has his one remedy for all social evils, will have little patience with what he will regard as patchwork. He wishes us to go to the root of things and to reshape entirely some one great institution, claiming that then everything in the social world will be all that could be desired. At the same time the advocate of a single reform, whether this be "free trade" or "single tax" or "land nationalization," has a position of vantage. He elaborates his reform in all its details, and concentrates attention upon that. Attention is divided, in the program of social reform presented in this work, among a multiplicity of reforms; and this may at first be thought a weakness, but careful reflection will show that it corresponds to the complexity of modern civilization.

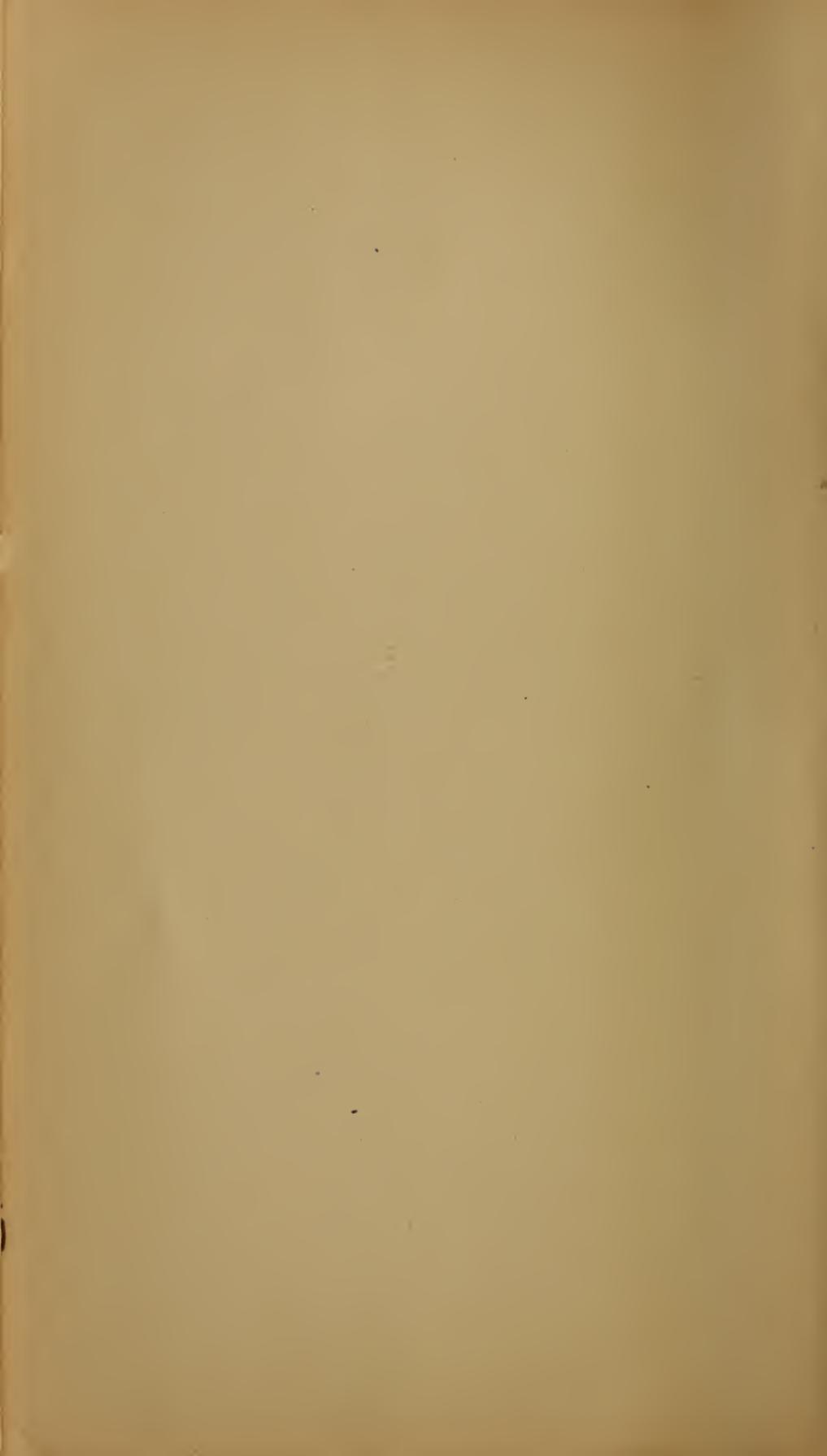
Reforms must come from many different sources, and of thousands of agencies of genuine reform and progress not one can be spared. No one person will be in a position to take up all of the reforms which have been advocated and push them vigorously. One line of reform will interest one class of persons, and another line another class, and thus, working together more or less consciously, the progress of society will be secured. What has been advocated is an ideal, and not something which can be speedily attained. Possibly this outline of reform contains in itself a strong argument

<sup>1</sup> On proportional representation and especially Professor Commons's work, published in Crowell's Library of Economics and Politics.

against socialism, although not intended to do so. It shows, indeed, how long is the way we must travel before we can accomplish those desirable changes within the framework of existing society which even now suggest themselves.

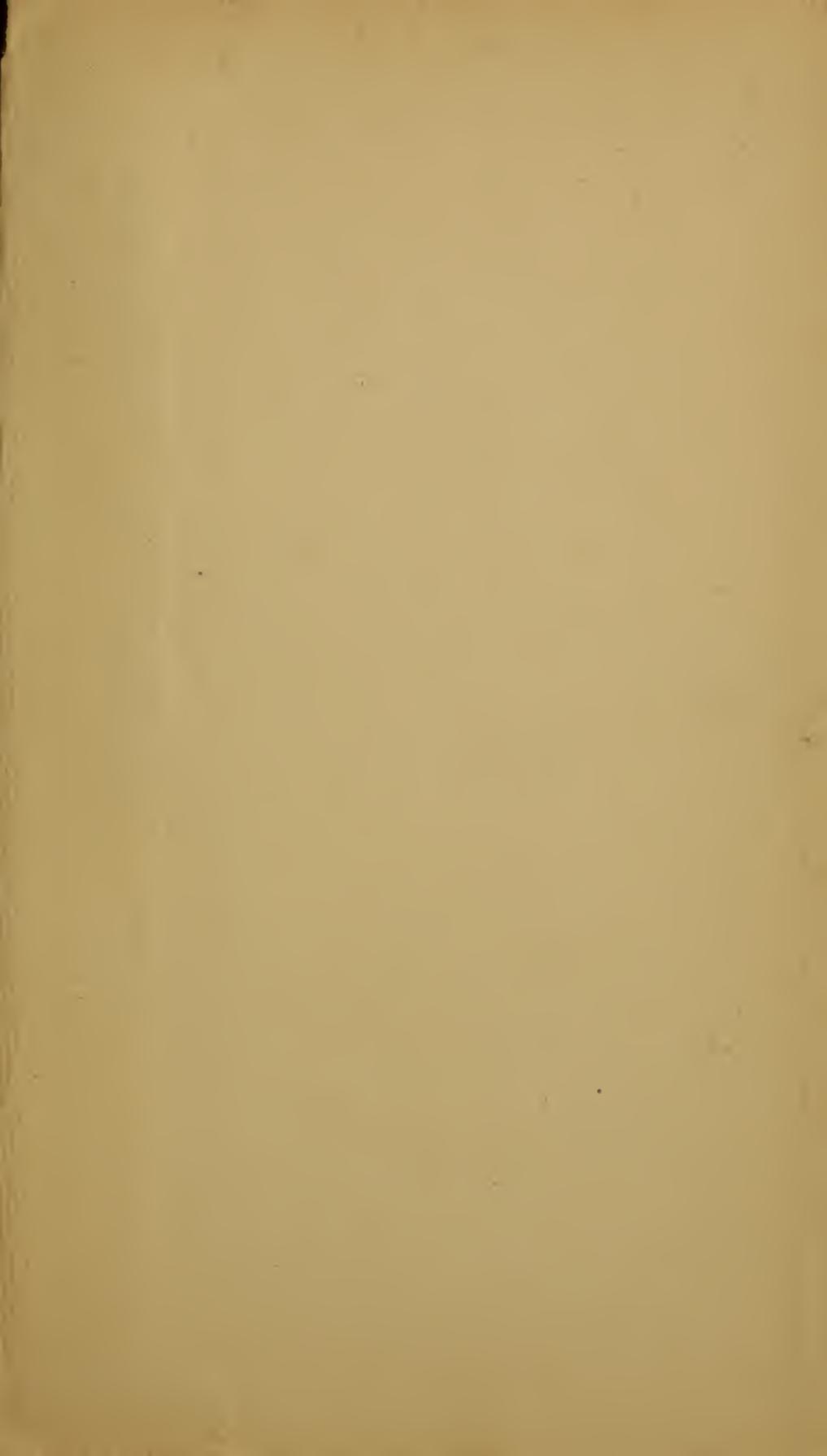
One line of thought which has run through the entire treatment of practicable social reform is social solidarity. Men's interests are inextricably intertwined, and we shall never become truly prosperous so long as there is any class of the population materially and morally wretched. As a social body we can no more be in a sound condition while we have a submerged tenth, than a man can be whose arms or legs are suffering with a foul and corrupting disease. Whether we will or not we must, in a manner, rejoice together and suffer together. The sooner the idea of social solidarity, which is not only a doctrine but a real fact, is recognized in all its ramifications, the better it will be for us.











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